tight credit conditions were the major reasons given for unfavorable buying conditions during the past year. The differences in the proportion holding favorable buying attitudes toward the household durables market (47 percent), the auto market (39 percent), and the housing market (21 percent) reflect the frequency of mention of tight credit and high interest rates in the household durables market (26 percent), the auto market (27 percent), and the housing market (73 percent).

Favorable attitudes towards buying conditions for houses posted a slight increase in the February 1981 survey (21 percent) from month earlier figures (18 percent). Unfavorable attitudes also fell slightly, to 74 percent, from the record all time high of 77 percent recorded in January 1981. Overall, buying attitudes towards houses remain substantially less favorable than year ago figures, and remain near all time record low levels. In explaining their views, three-in-four families mention high interest rates.

The impact of tight credit conditions and high interest rates can be easily traced in the automobile market. In May 1980, when a high of 61 percent rated car buying conditions as unfavorable, the frequency of references to high interest rates also reached a high of 29 percent. Subsequently, as unfavorable attitudes toward the automobile market fell from 61 percent in May to 39 percent in October 1980, references to high interest rates fell from 29 to 10 percent in September 1980. The increase in interest rates in late 1980 and the subsequent declines recorded in early 1981 were reflected by declines in favorable car buying attitudes in late 1980 followed by modest improvements.

* * *

The February 1981 survey included 668 interviews conducted between January 30 and February 24, 1981.

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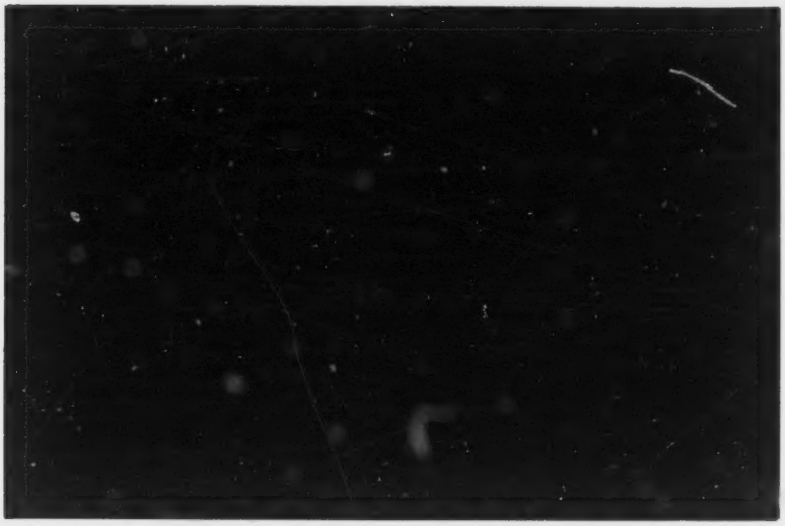
SURVEYS OF CONSUMER ATTITUDES



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TABLES AND CHARTS

MARCH 1981

The March 1981 survey is the 128th in a longitudinal series of survey of consumer attitudes conducted during the last thirty years.The purpose of these surveys is to assess change in consumer attitudes and expectations, and to understand why these changes occur and how they affect consumer behavior.This type of information is essential for for forcasting changes in discretionary spending and saving decisions.

Two charts are presented for most questions . One highlights recent changes in the monthly observations, compared with a simple three month moving average . The second chart gives historical data , using quarterly results prior to 1978 and the moving average of monthly results since then.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

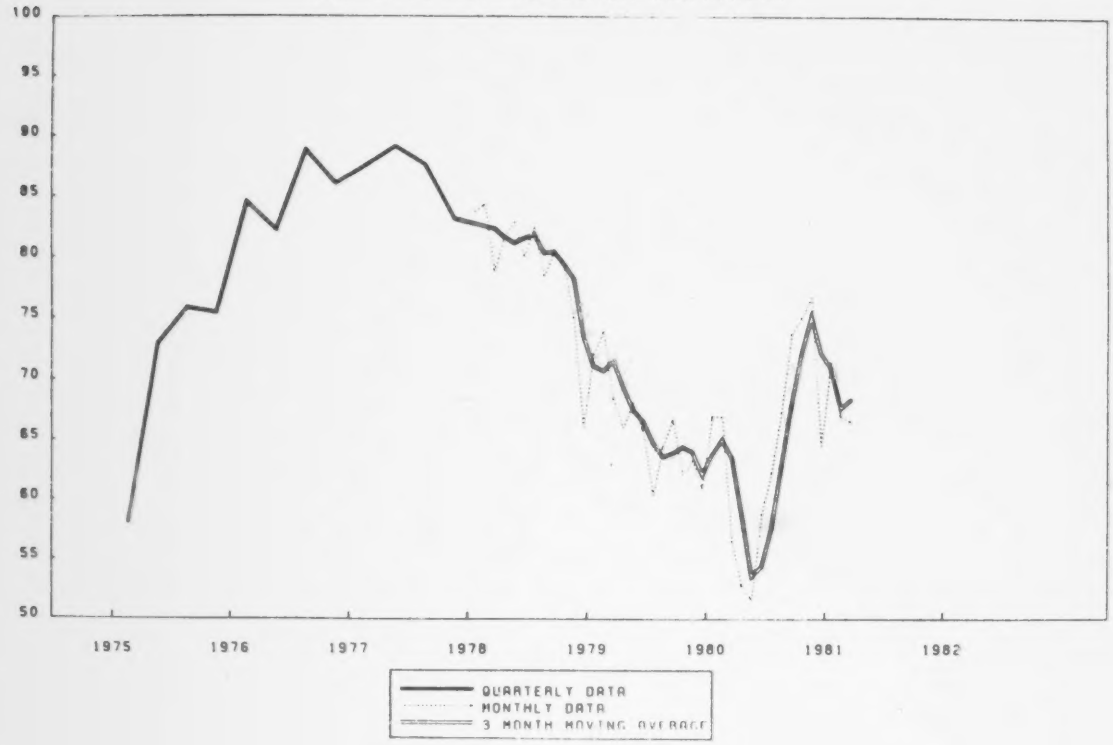

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

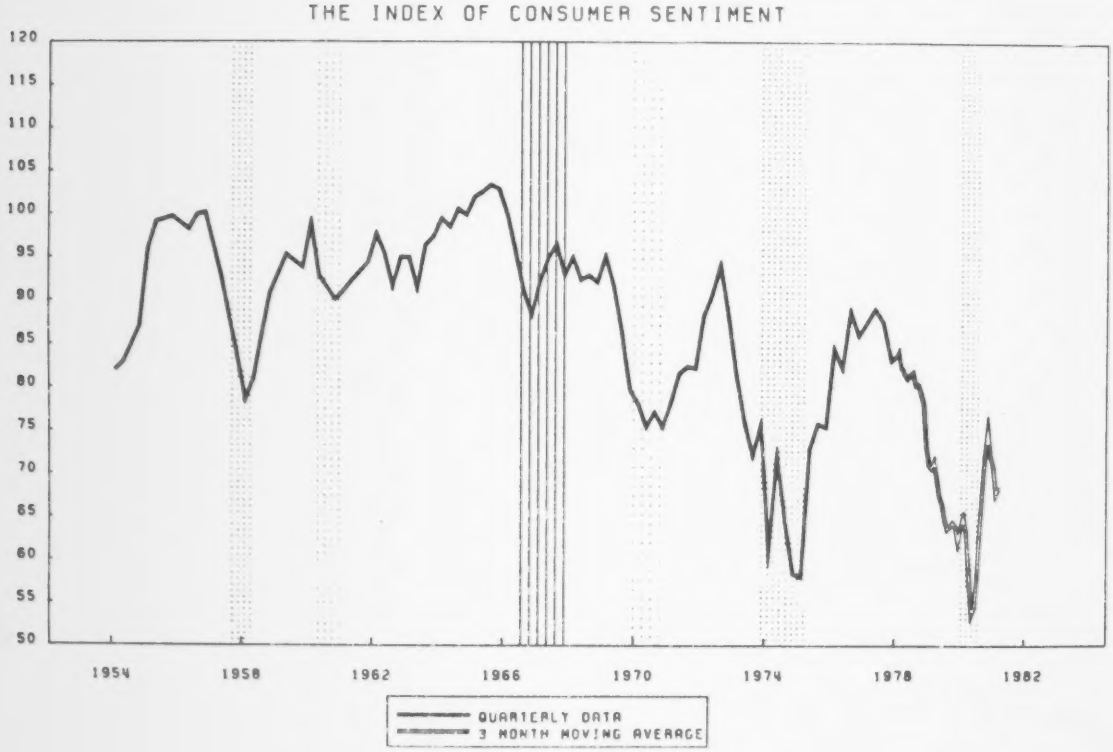

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
March 1978	78.8	87.5	93.8
April 1978	81.6	94.5	92.9
May 1978	82.9	87.1	90.0
June 1978	80.0	92.7	94.6
July 1978	82.4	91.7	92.4
August 1978	78.4	85.1	85.4
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.6
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1	78.5
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1
February 1981	66.9	74.2	77.5
March 1981	66.5	72.1	73.7

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

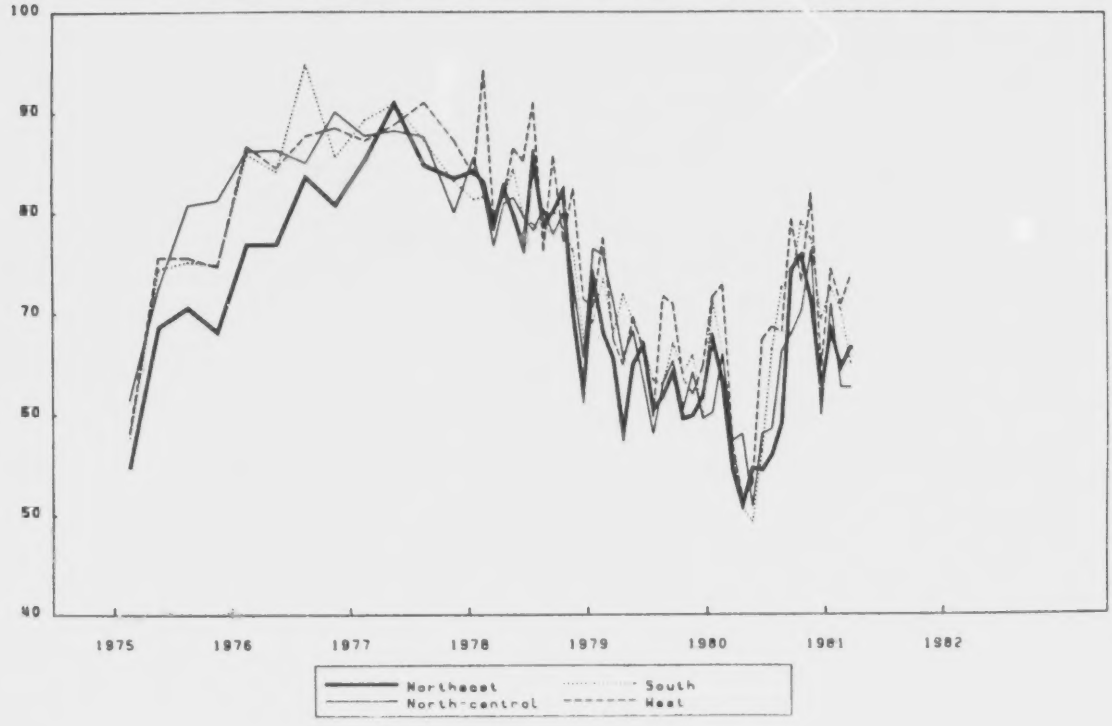

CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
March	1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April	1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May	1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

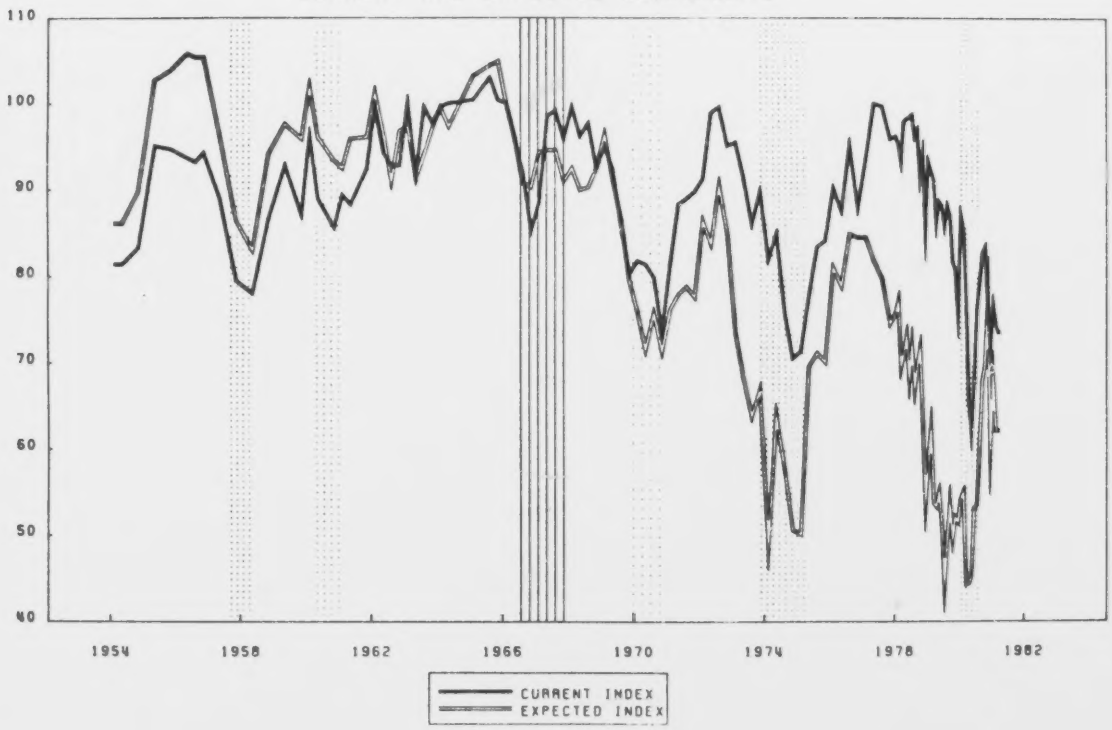

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
March 1978	100	107	91	76	140	93.2	69.5
April 1978	104	112	99	71	148	98.0	71.1
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

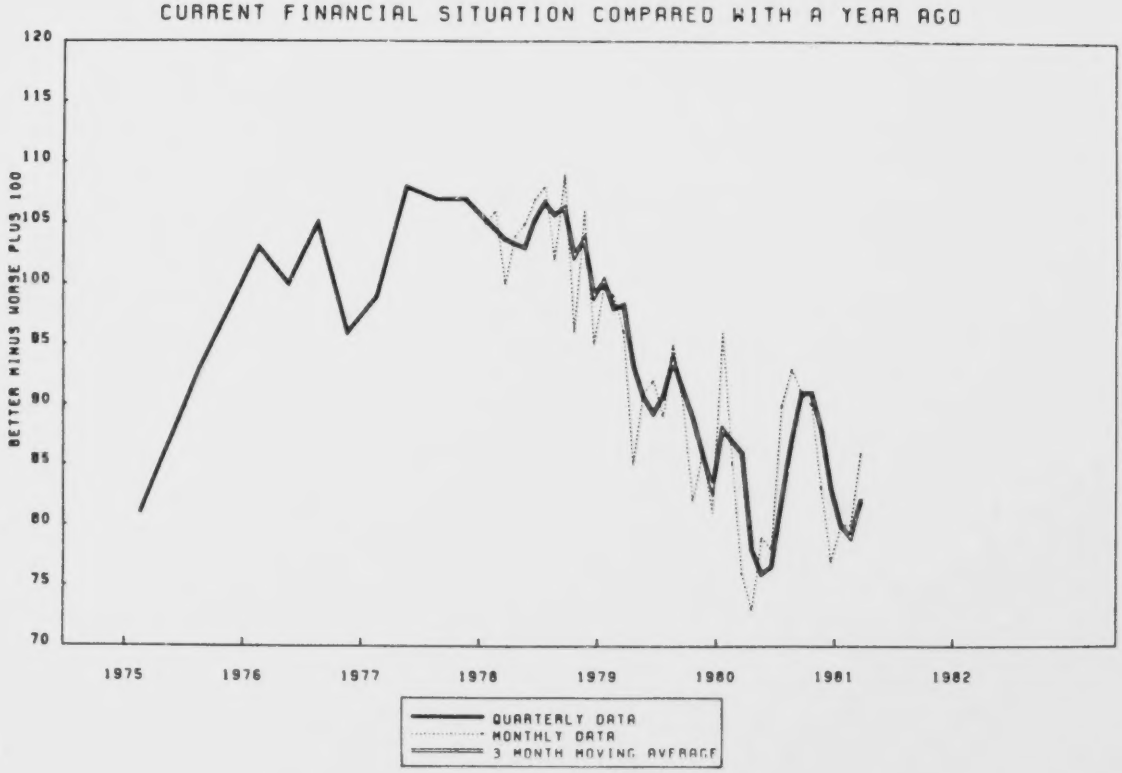

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

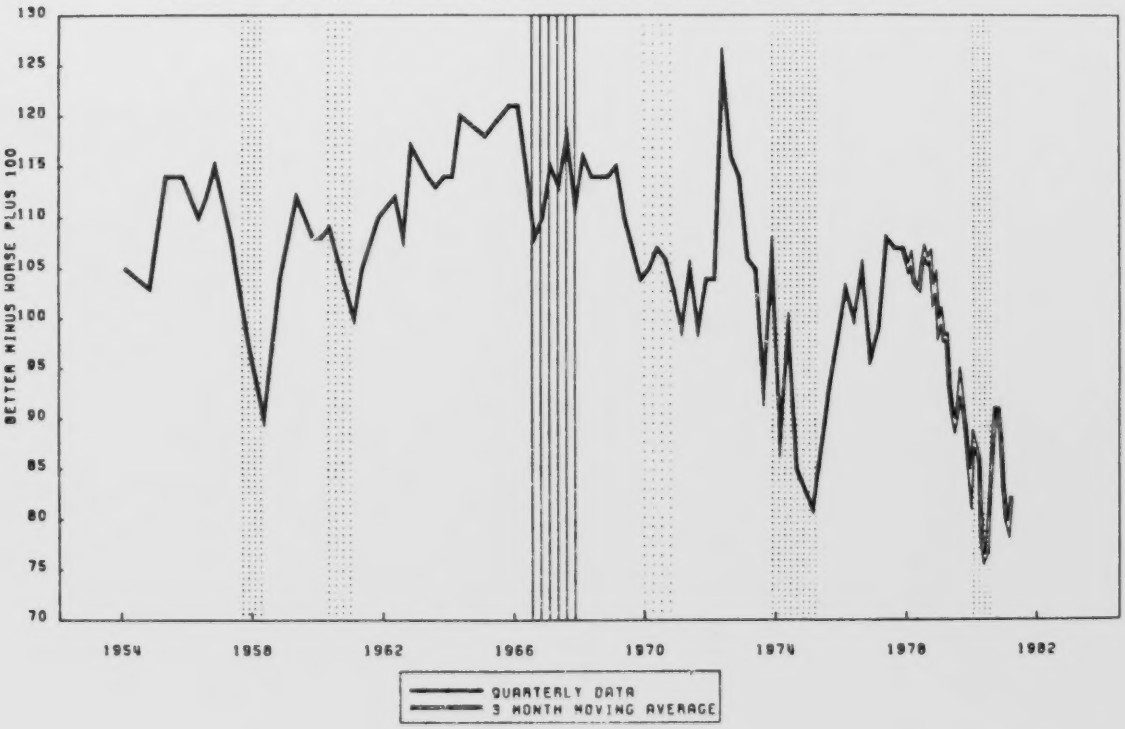

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER OFF	24%	24%	26%	25%	30%	33%	31%	30%	28%	25%	25%	27%	29%
SAME	28	25	26	26	29	26	27	30	26	26	30	26	28
WORSE OFF	48	51	47	47	40	40	40	40	45	48	45	47	43
DK,NA	*	*	1	2	1	1	2	*	1	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

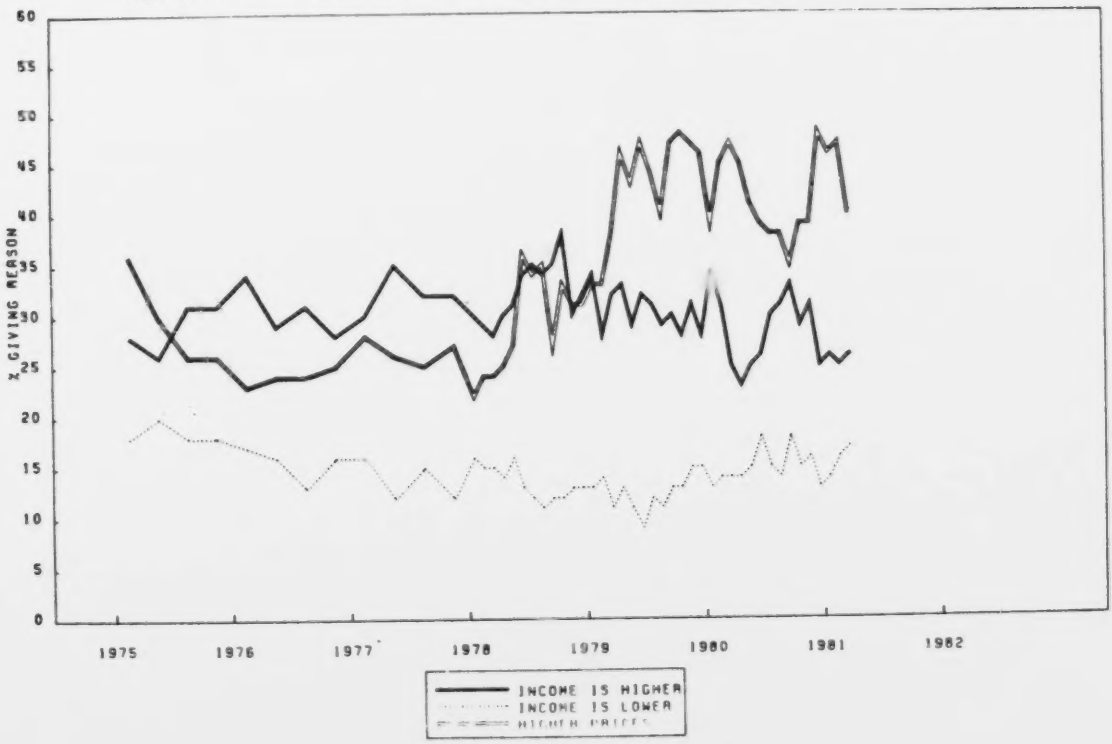

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	25%	23%	25%	26%	30%	31%	33%	29%	31%	25%	26%	25%	26%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	14	15	18	15	14	18	15	16	13	14	16	17
Higher prices	47	45	41	39	38	38	35	39	39	48	46	47	40

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

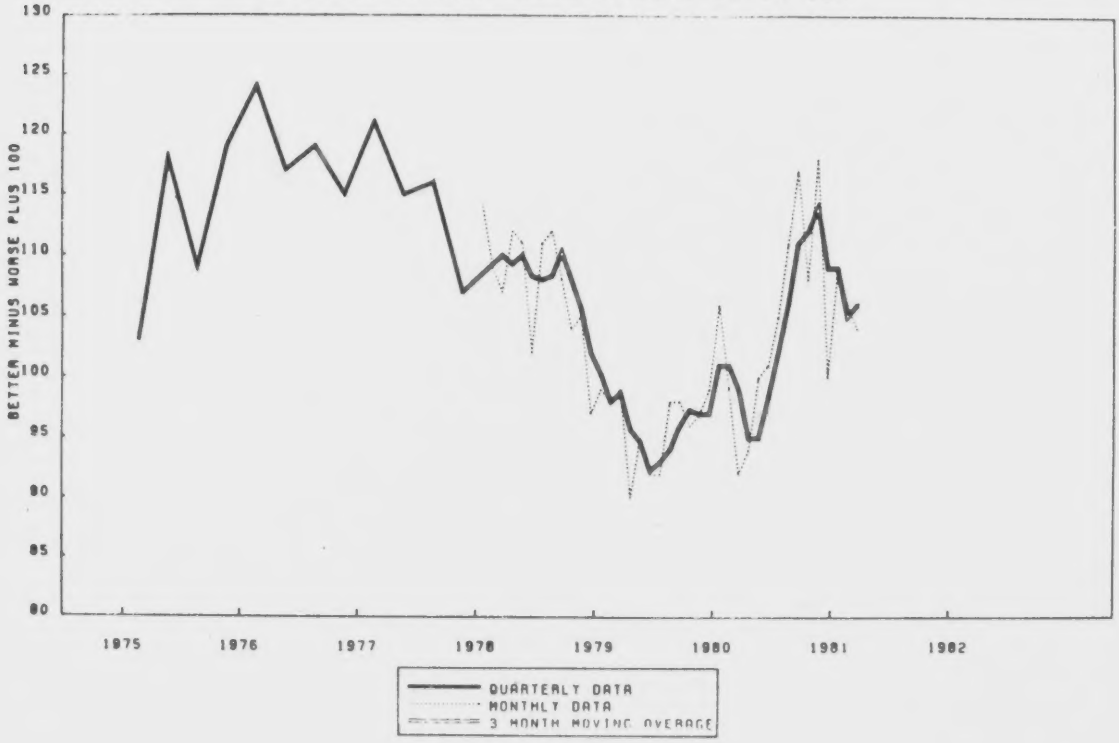

CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

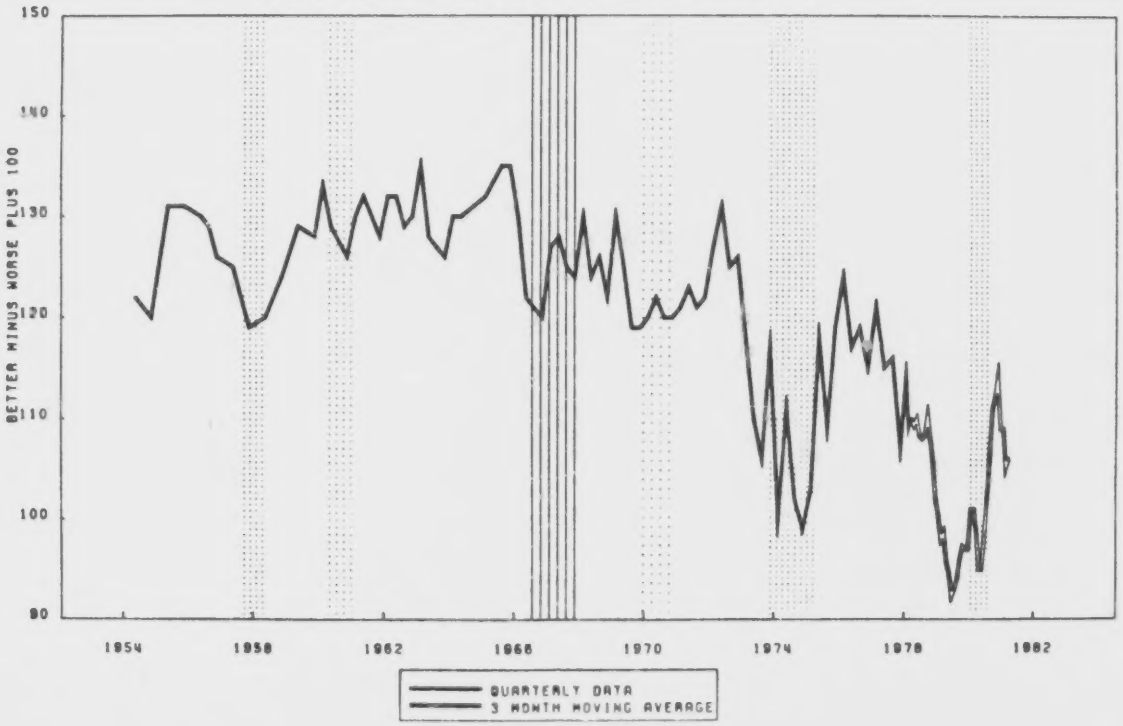

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER OFF	20%	25%	27%	26%	26%	30%	34%	25%	35%	25%	27%	26%	28%
SAME	47	42	43	46	48	48	45	50	42	45	48	48	45
WORSE OFF	28	31	27	25	21	19	17	17	17	25	18	20	24
DK,NA	5	2	3	3	5	3	4	8	6	5	7	6	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

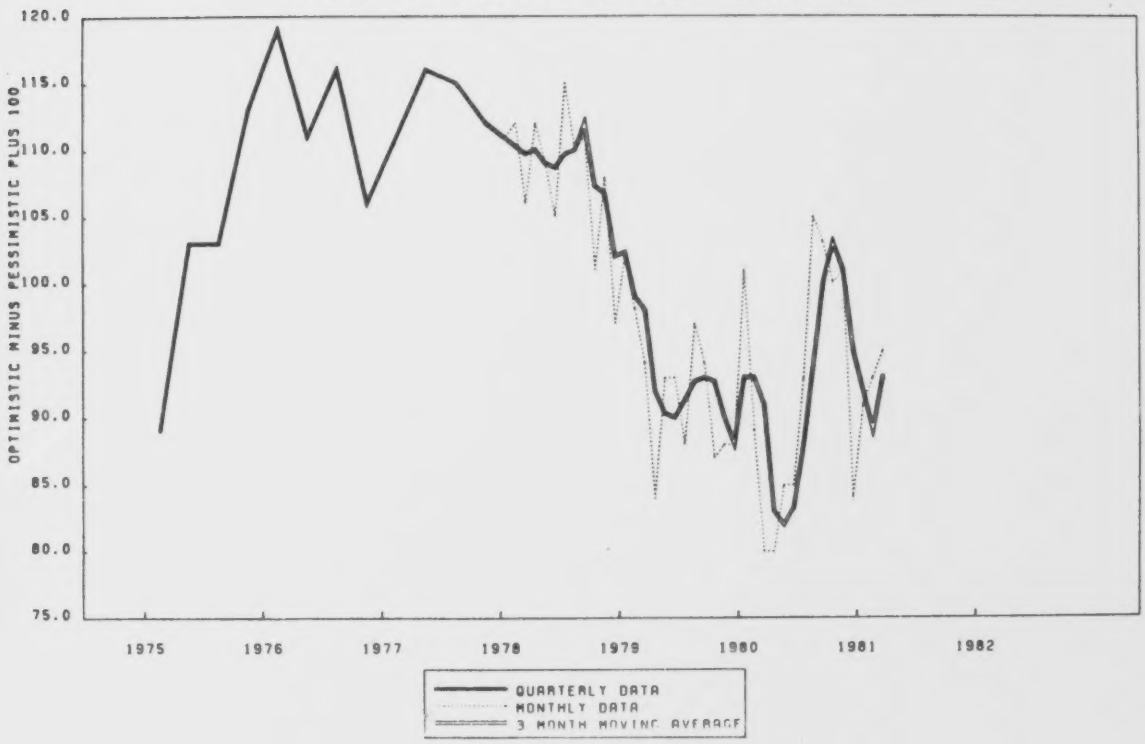

CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

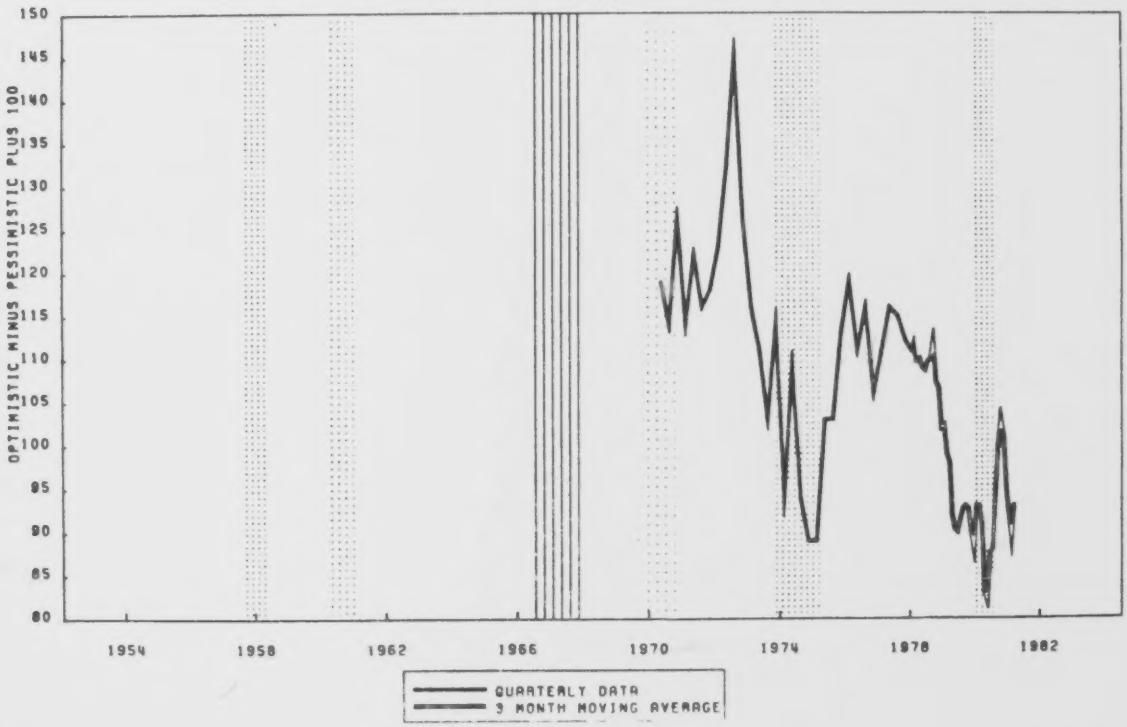

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	7%	8%	11%	10%	12%	12%	14%	12%	13%	9%	10%	8%	12%
Intermittant increase (b)	16	16	17	16	19	22	19	20	19	18	17	20	19
Remain unchanged (c)	15	14	12	14	14	16	15	18	13	12	16	15	15
Intermittant decline (d)	27	23	27	27	28	17	21	21	22	28	25	23	22
Continuous decline (e)	17	21	16	14	10	12	9	11	9	15	11	12	14
Mixed change (f)	13	16	14	15	11	18	16	10	18	13	14	16	14
DK,NA	5	2	3	4	6	3	6	8	6	5	7	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
EXPECT INCREASE:													
1-4%	na	5%	6%	5%	5%	6%	7%	8%	5%	8%	6%	8%	7%
5%		8	7	7	8	10	7	7	10	7	8	7	9
6-9%		14	12	13	11	15	16	15	10	12	10	10	11
10-24%		23	24	25	20	20	21	21	26	22	21	20	21
25% or more		7	6	8	5	6	5	7	7	7	6	7	7
DK how much up		7	8	8	10	9	10	10	8	8	9	9	9
EXPECT SAME		25	22	21	21	21	21	21	24	22	24	24	21
EXPECT DOWN		9	13	12	18	11	10	9	7	11	12	11	12
DK,NA		2	2	1	2	2	3	2	3	3	4	4	3
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		719	703	688	668	658	682	685	694	684	698	668	703

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

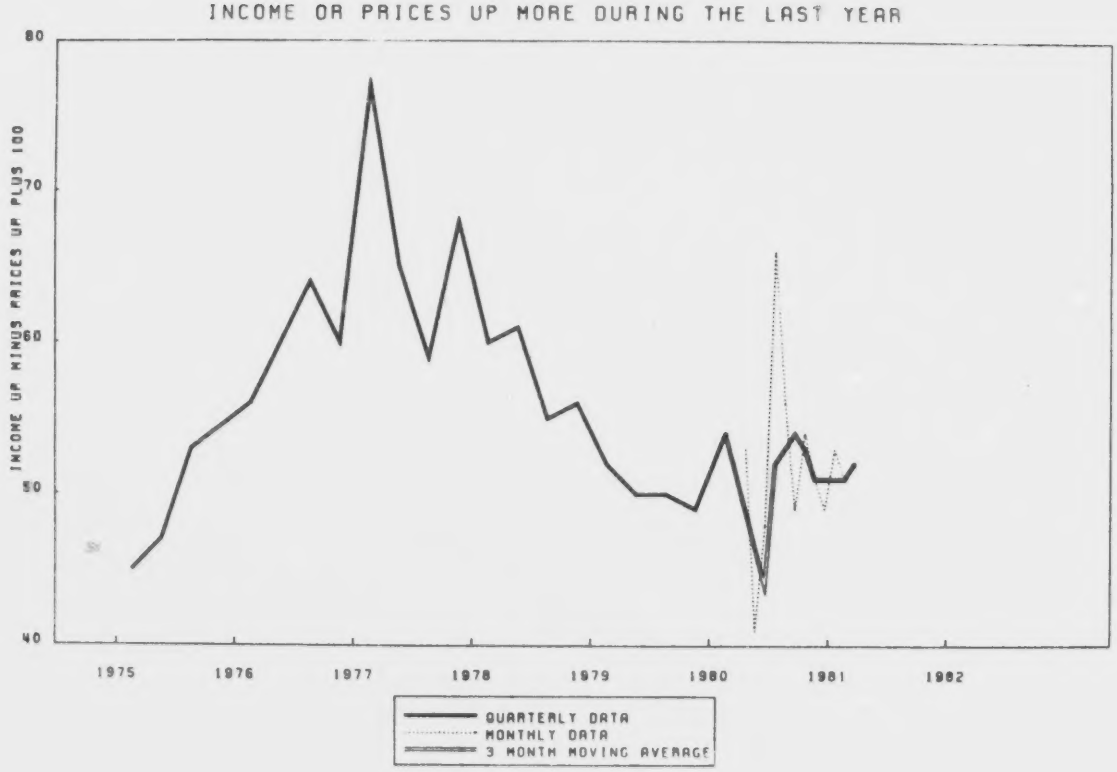

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
INCOME UP MORE	na	11%	8%	11%	12%	13%	12%	13%	10%	11%	13%	10%	13%
INCOME UP SAME		22	22	25	30	29	24	25	30	24	25	28	24
PRICES UP MORE		66	67	63	56	57	63	59	59	62	60	59	61
DK,NA		1	3	1	2	1	1	3	1	3	2	3	2
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		719	703	688	668	658	682	685	694	684	698	668	703

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

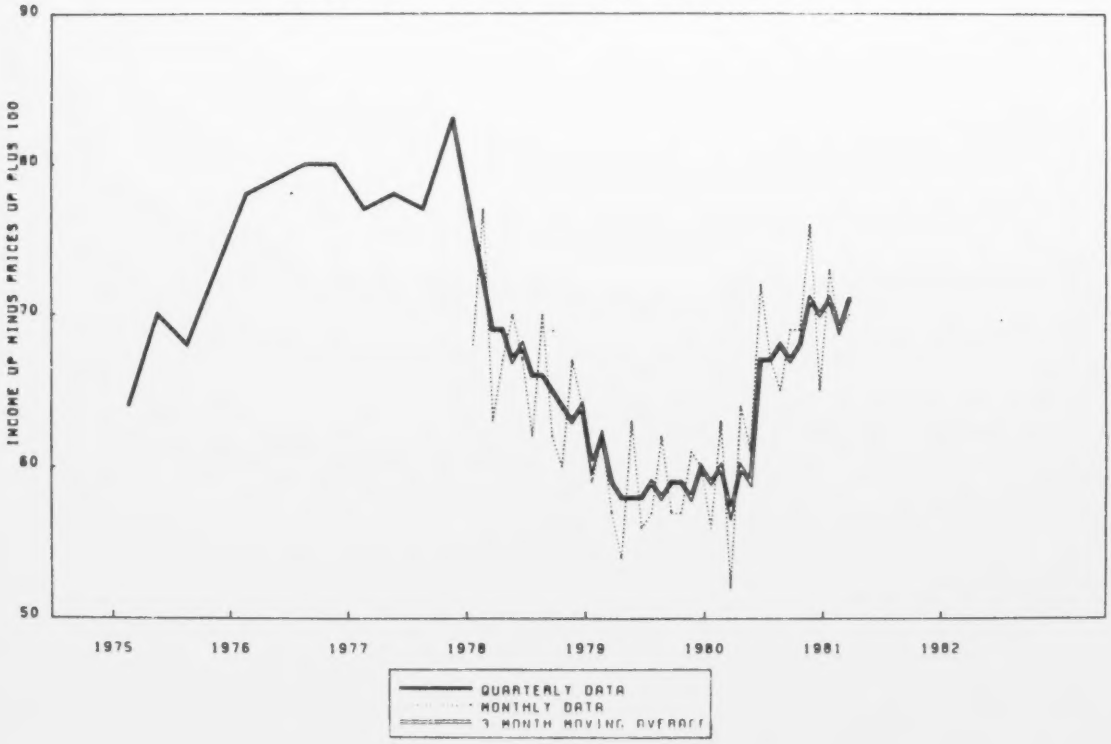

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
INCOME UP MORE	8%	12%	12%	14%	12%	11%	14%	12%	16%	12%	14%	11%	14%
INCOME UP SAME	32	37	34	41	38	40	38	42	42	36	39	43	38
PRICES UP MORE	56	48	51	42	45	46	45	43	40	47	41	42	44
DK,NA	4	3	3	3	5	3	3	3	2	5	6	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART II - RECENT CHANGES

TREND IN INCOME AND PRICE COMPARISON

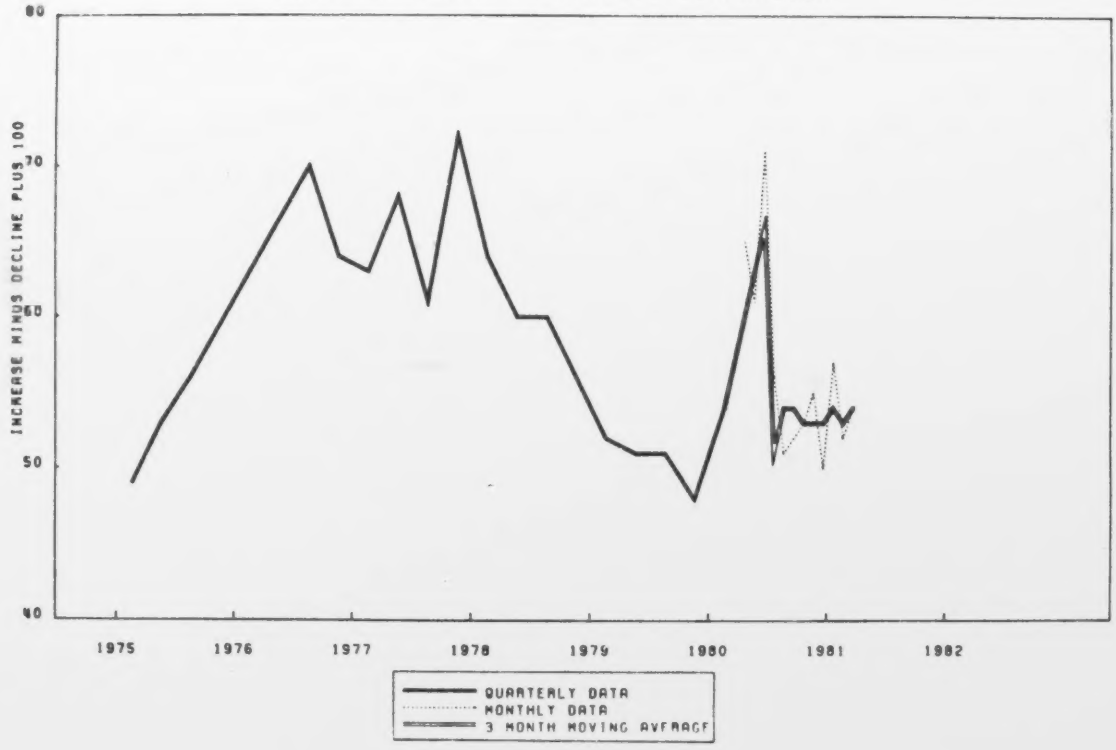

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	na	4%	2%	5%	5%	3%	5%	6%	6%	5%	6%	4%	6%
Intermittant increase (b)		8	9	8	9	11	9	6	9	7	8	8	9
Remain unchanged (c)		13	11	16	17	17	14	18	17	14	17	18	14
Intermittant decline (d)		24	22	26	23	22	23	25	27	24	22	25	26
Continuous decline (e)		41	44	35	35	37	39	34	33	38	35	35	35
Mixed change (f)		6	6	7	5	6	6	7	5	6	6	5	5
DK,NA		4	6	3	6	4	4	4	3	6	6	5	5
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		719	703	688	668	658	682	685	694	684	698	668	703

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

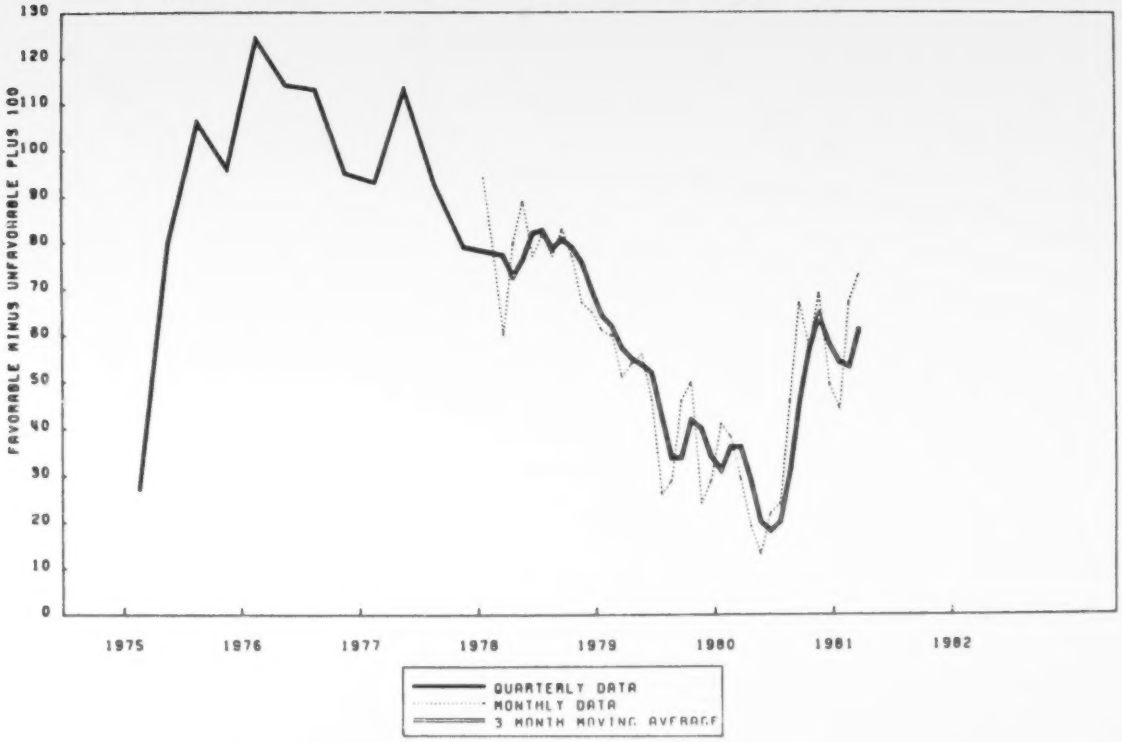

CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

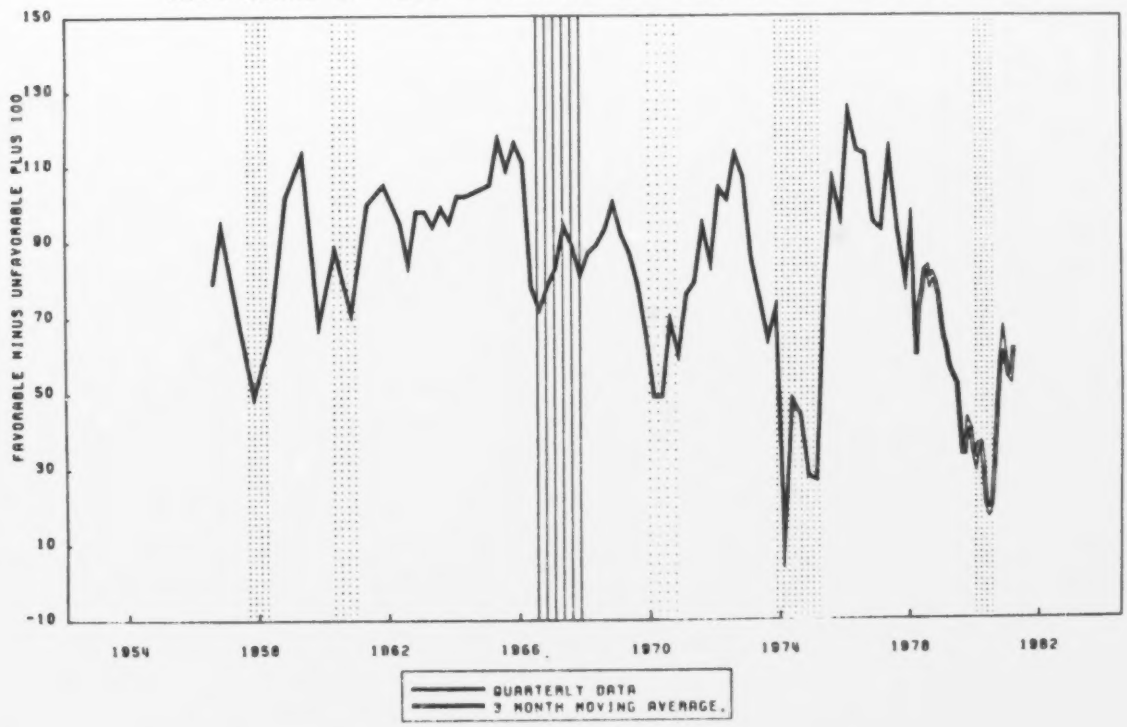

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
FAVORABLE NEWS	11%	10%	10%	15%	19%	24%	30%	29%	27%	17%	19%	23%	30%
UNFAVORABLE NEWS	82	91	97	93	95	78	63	72	58	68	75	56	57
NO MENTIONS	41	35	30	29	30	34	38	33	47	44	39	46	42

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
FAVORABLE NEWS:													
Government; elections	1%	1%	*	1%	*	1%	2%	1%	7%	4%	4%	9%	9%
Employment	3	3	1	3	4	7	7	10	7	5	4	5	8
Consumer demand high	1	1	*	1	1	1	3	3	2	1	2	1	1
Prices are low	*	1	1	1	1	*	1	2	1	*	*	1	1
Credit is easy	*	*	5	7	7	8	7	3	1	*	3	3	4
UNFAVORABLE NEWS:													
Government; elections	3	3	4	2	4	3	1	4	3	2	4	5	7
Unemployment	14	21	40	50	43	31	25	26	21	18	19	15	19
Consumer demand low	8	9	10	9	12	12	8	8	8	11	14	9	10
Prices are high	17	17	11	8	12	13	10	10	9	8	11	10	6
Credit is tight	22	24	16	9	5	5	8	12	9	19	14	7	4
Energy crisis	1	1	*	1	1	1	*	1	*	1	1	*	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

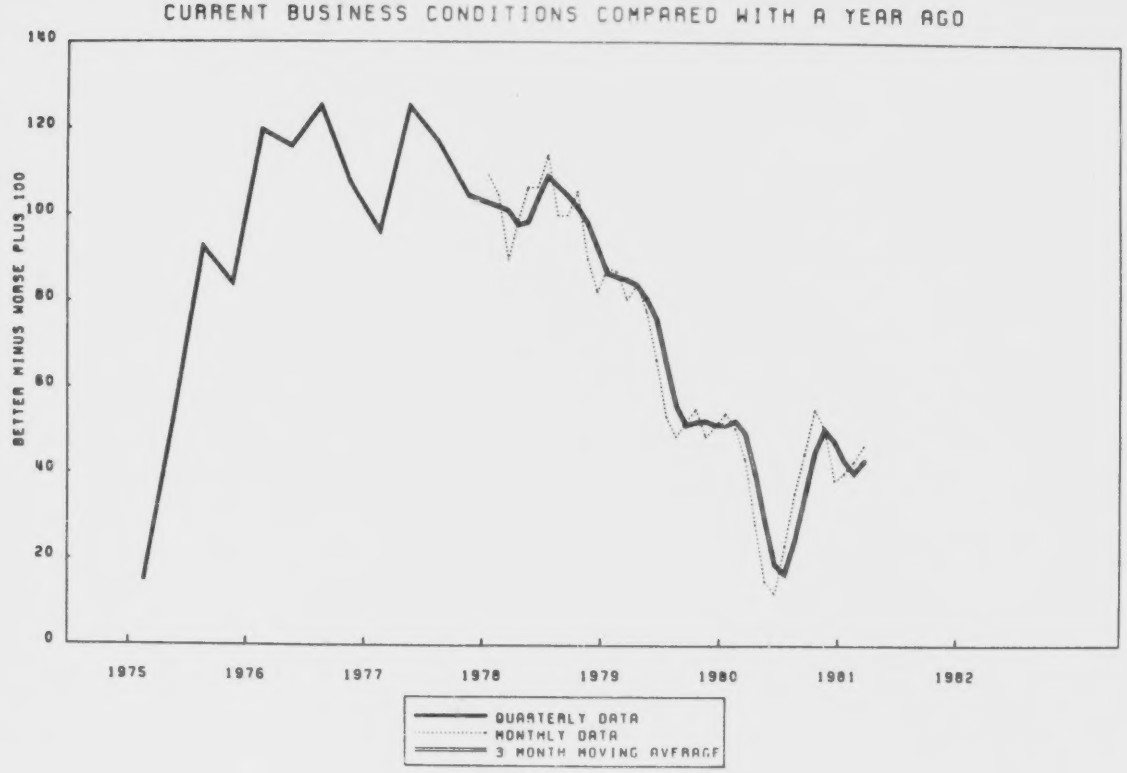

CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

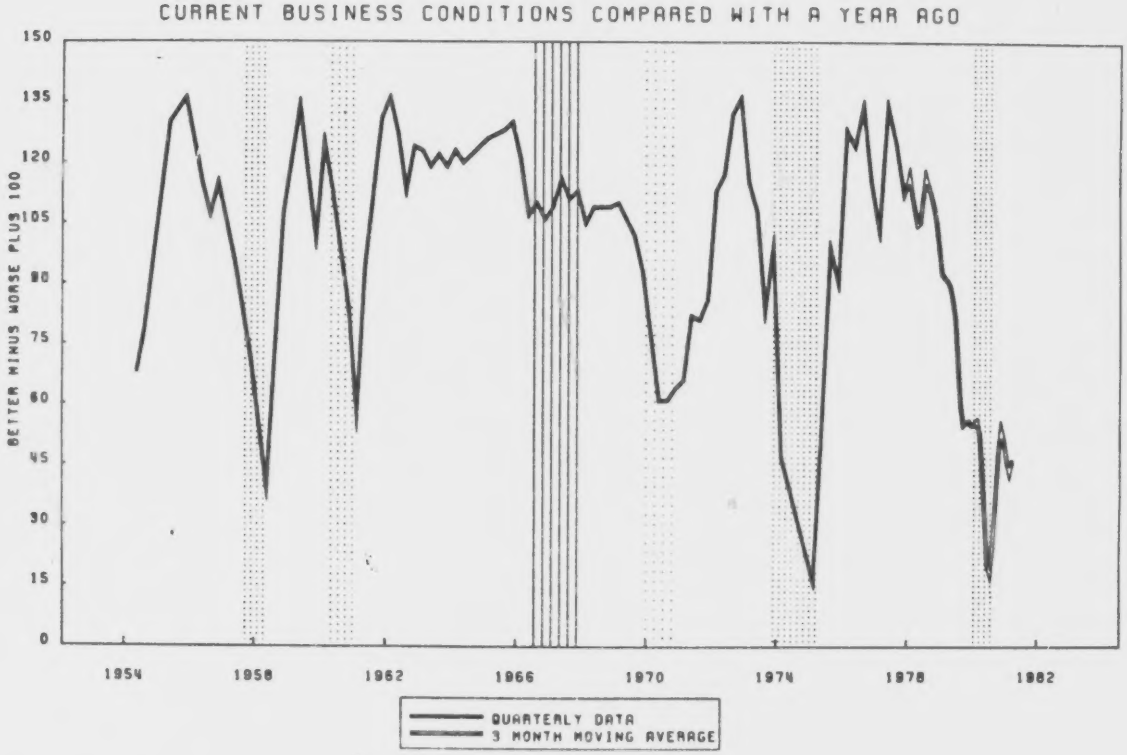

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER NOW	15%	10%	6%	4%	10%	15%	18%	23%	21%	13%	14%	14%	17%
SAME	12	10	4	5	4	7	10	10	10	12	13	15	14
WORSE NOW	69	79	90	90	85	77	70	64	67	72	71	68	67
DK,NA	4	1	*	1	1	1	2	3	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

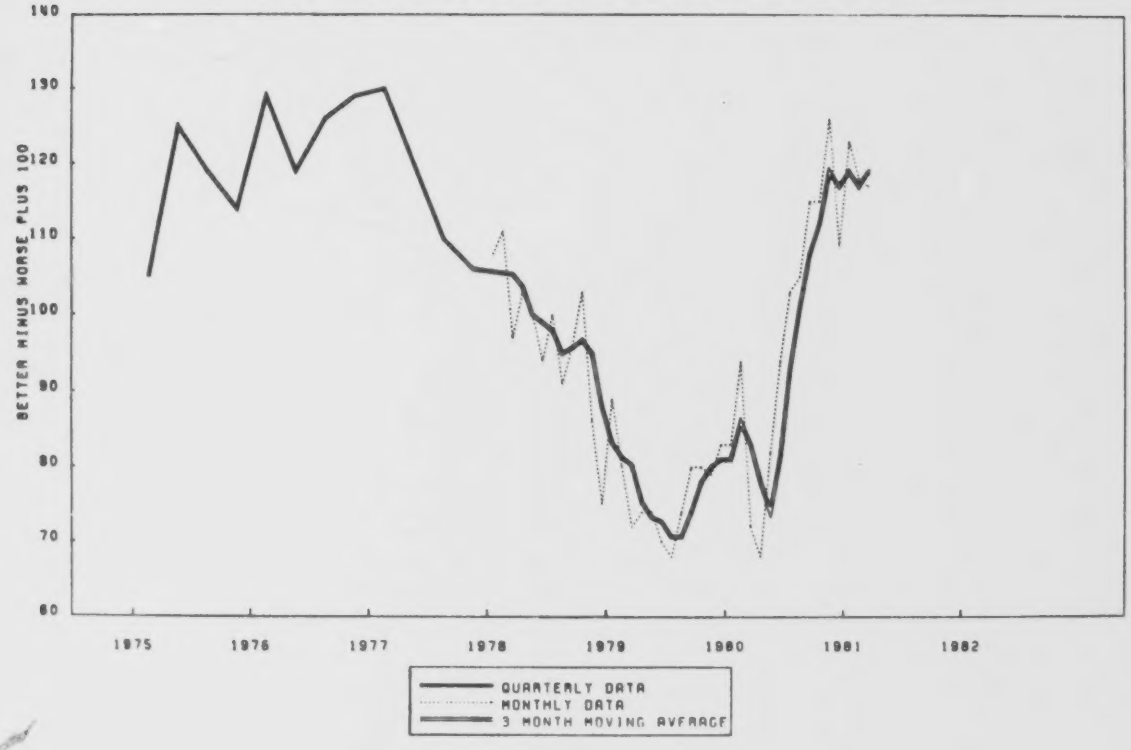

CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

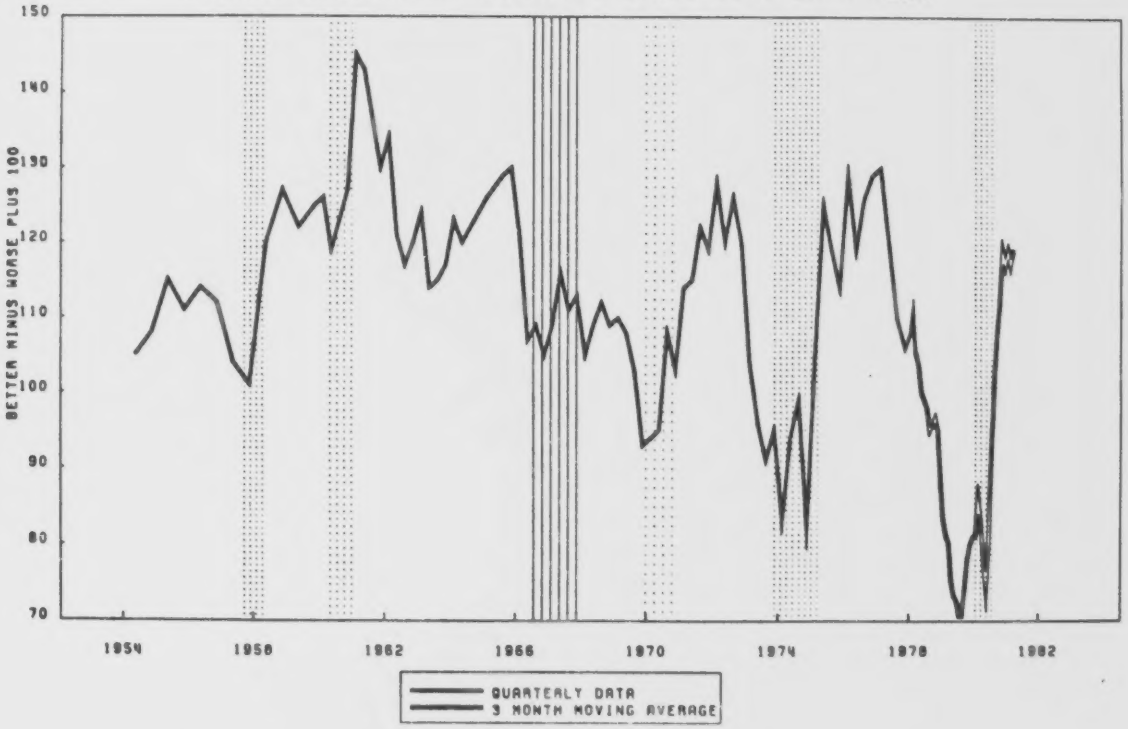

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
BETTER	14%	14%	21%	26%	28%	28%	32%	33%	40%	29%	39%	34%	38%
SAME	42	37	37	38	43	44	47	44	42	46	42	46	38
WORSE	42	46	39	32	25	23	17	18	14	20	16	16	21
DK,NA	2	3	3	4	4	5	4	5	4	5	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
FAVORABLE REASONS:													
Government; elections	na	8%	11%	10%	15%	14%	15%	16%	34%	27%	35%	32%	32%
Employment		2	2	3	4	4	5	5	5	3	4	2	4
Higher consumer demand		1	3	1	2	3	4	5	3	2	2	3	2
Lower prices		3	2	3	1	1	3	3	2	3	2	2	3
Easier credit		1	4	5	2	3	3	2	3	2	4	2	2
UNFAVORABLE REASONS:													
Government; elections		15	7	7	12	7	7	11	7	8	7	7	9
Unemployment		11	14	12	10	7	6	4	5	8	7	6	6
Lower consumer demand		6	5	5	6	7	3	2	2	6	5	4	4
Higher prices		25	14	10	9	14	10	10	8	10	8	12	8
Tighter credit		12	6	4	2	2	2	2	2	7	4	2	2
Energy crisis		3	2	1	1	1	1	1	1	*	1	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

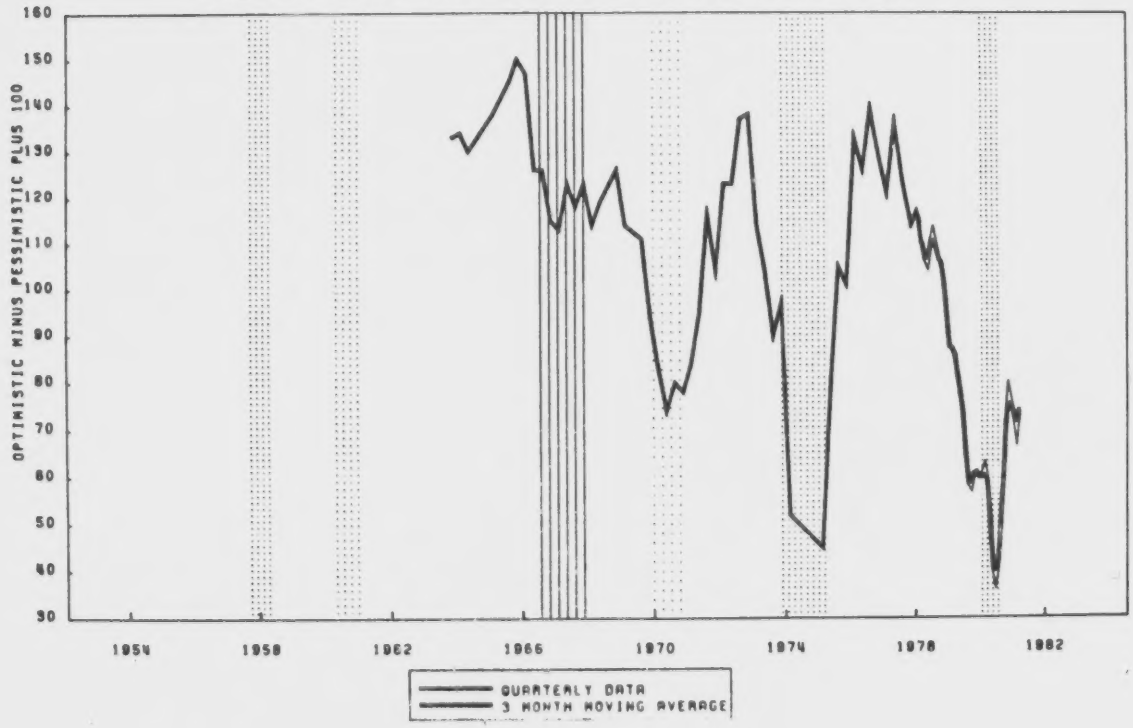

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
TREND:													
Continuous increase (a)	3%	4%	1%	1%	2%	5%	9%	9%	11%	5%	6%	7%	9%
Intermittant increase (b)	9	6	5	4	7	9	10	13	14	10	11	12	12
Remain unchanged (c)	6	3	1	2	1	3	6	5	4	5	7	7	6
Intermittant decline (d)	31	32	34	35	37	35	33	28	29	36	30	33	27
Continuous decline (e)	32	41	36	30	23	19	14	14	13	16	14	14	17
Mixed change (f)	14	10	20	23	26	23	23	23	24	21	27	21	25
DK,NA	5	4	3	5	4	6	5	8	5	7	5	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

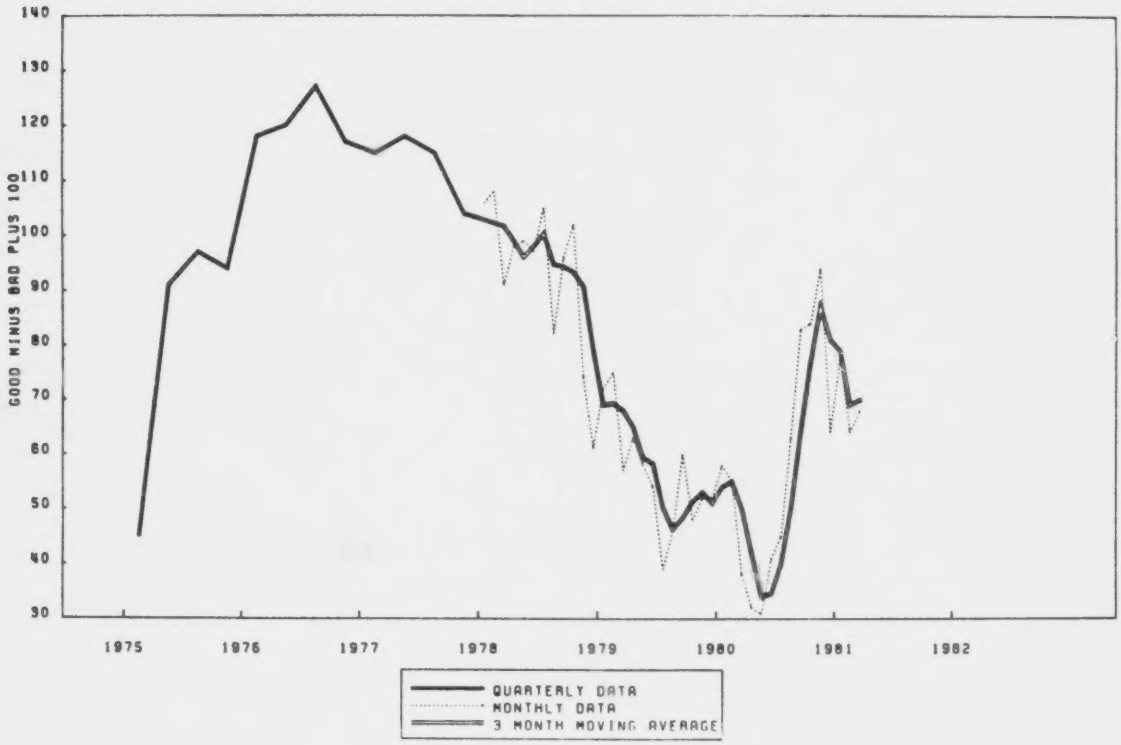

CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

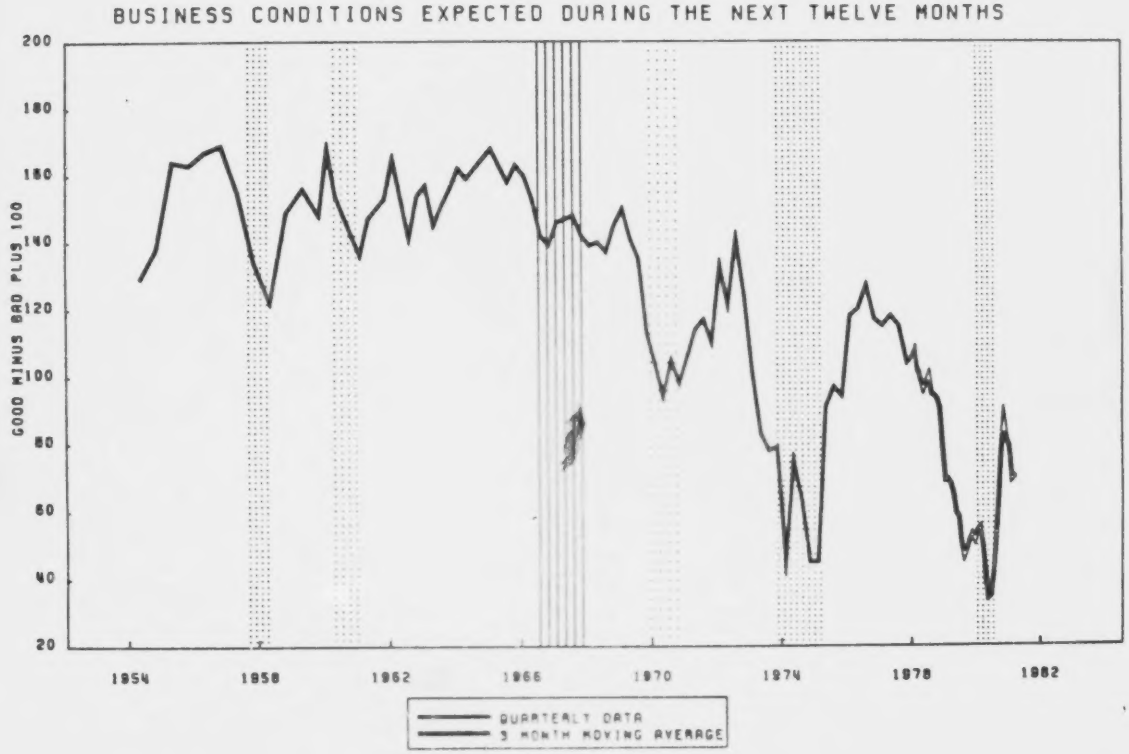

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIMES	14%	11%	13%	18%	19%	25%	35%	33%	39%	26%	31%	26%	27%
UNCERTAIN; GOOD & BAD	1	1	1	1	1	2	2	2	2	1	2	2	3
BAD TIMES	76	79	82	75	74	62	52	49	45	62	53	62	59
DON'T KNOW	4	4	3	4	4	7	7	8	8	7	10	6	6
NOT ASCERTAINED	5	5	1	2	2	4	4	8	6	4	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

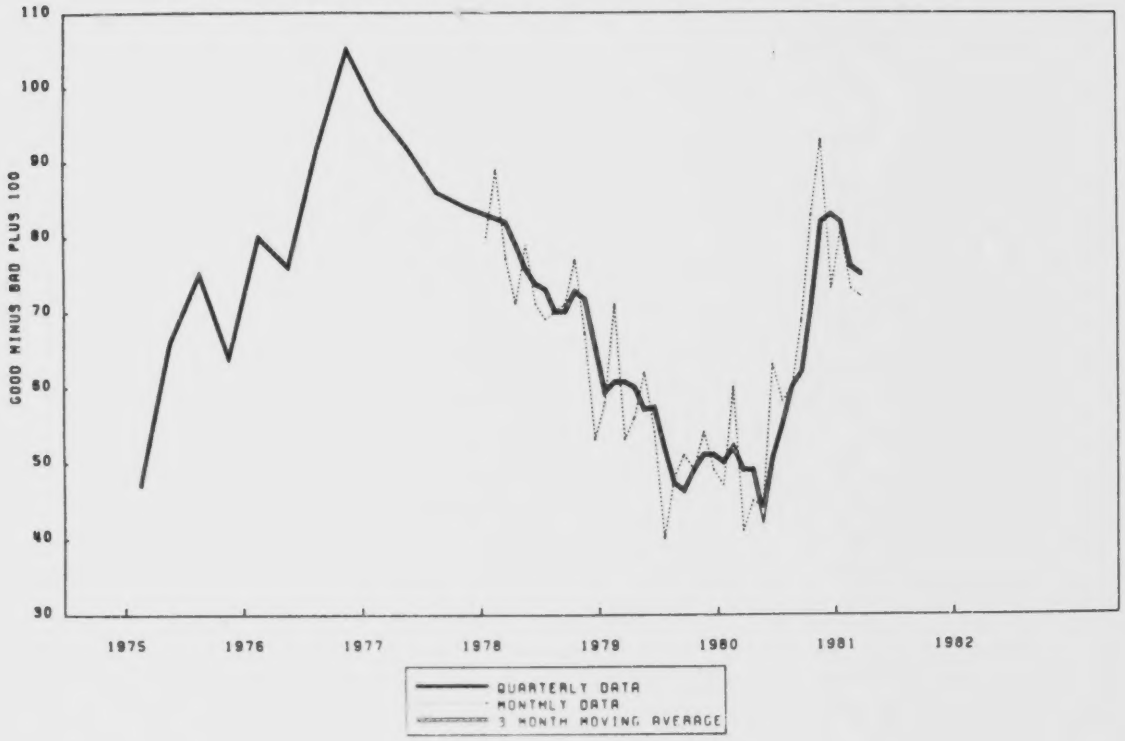

CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

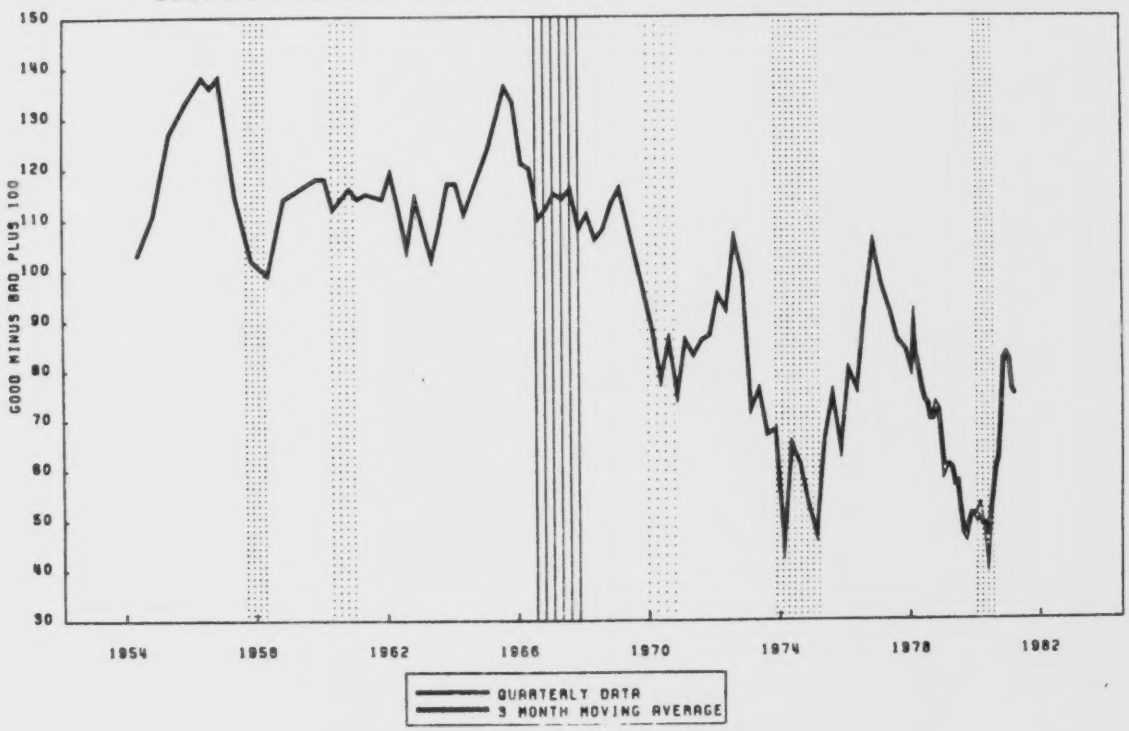

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIMES	13%	14%	15%	22%	19%	19%	25%	27%	36%	25%	30%	28%	27%
UNCERTAIN; GOOD & BAD	10	12	10	12	13	16	14	19	15	16	15	12	14
BAD TIMES	72	69	71	59	61	59	56	44	43	52	49	55	55
NOT ASCERTAINED	5	5	4	7	7	6	5	10	6	7	6	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

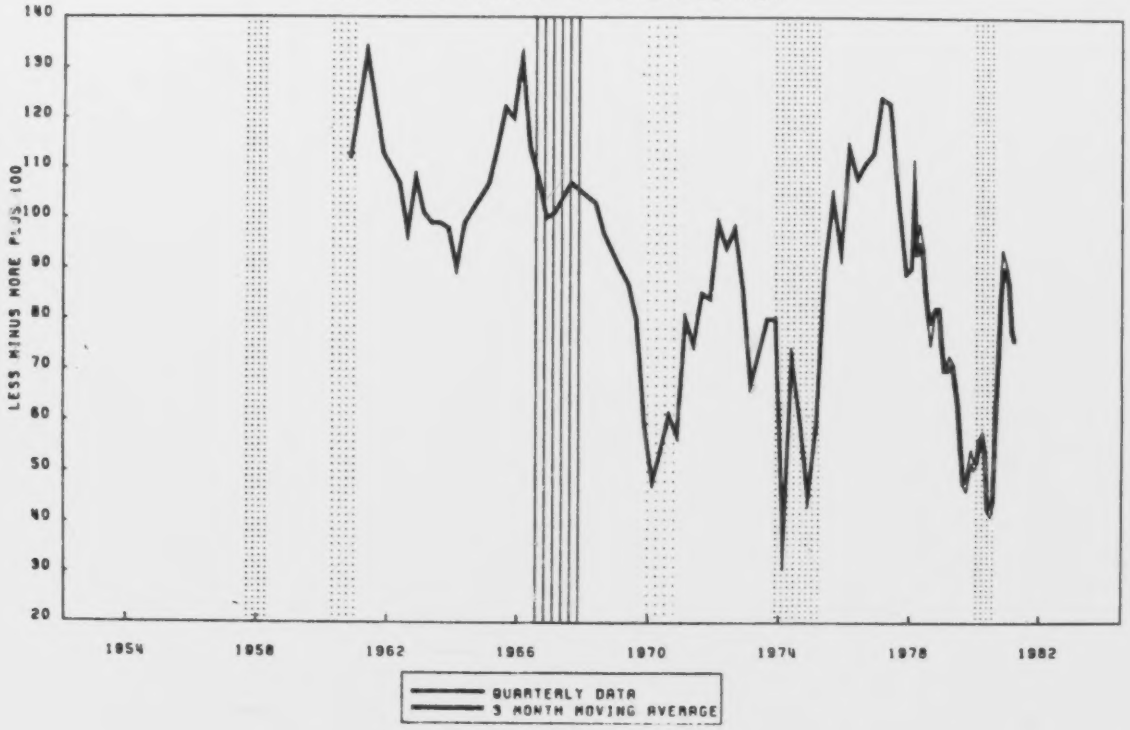

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
LESS	7%	7%	5%	11%	11%	19%	22%	21%	26%	17%	19%	16%	13%
SAME	35	29	23	25	30	38	36	46	47	41	41	42	43
MORE	57	62	72	63	59	40	40	30	24	39	38	40	41
DK,NA	1	2	*	1	*	3	2	3	3	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

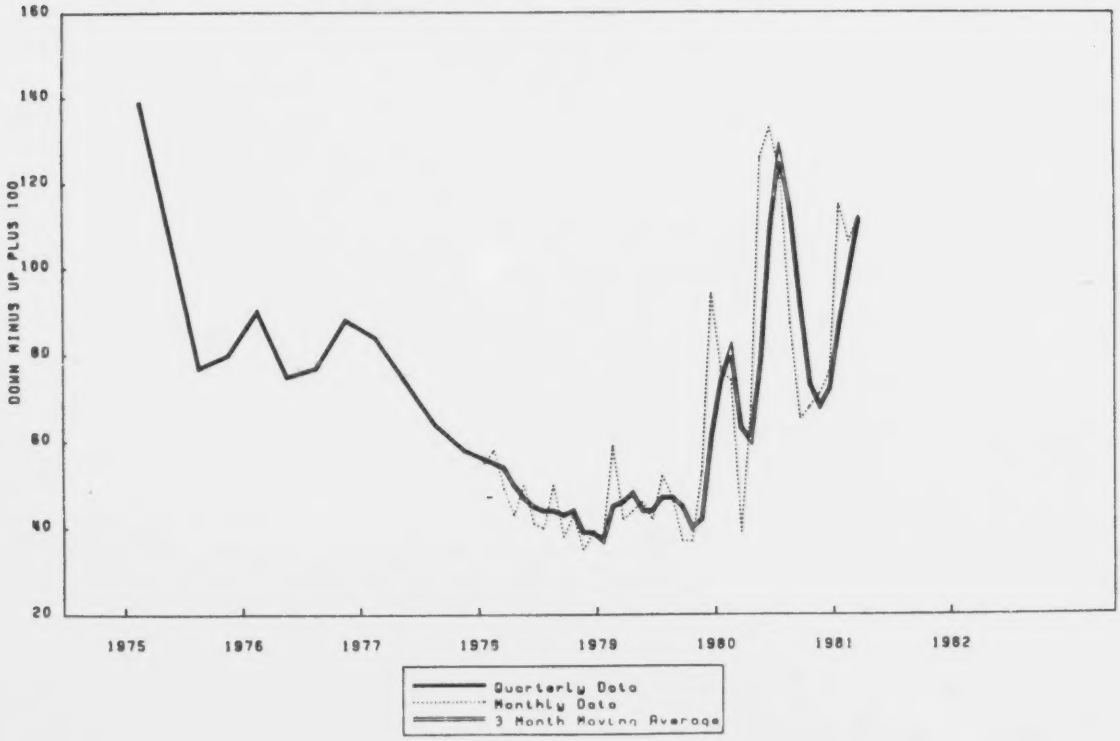

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

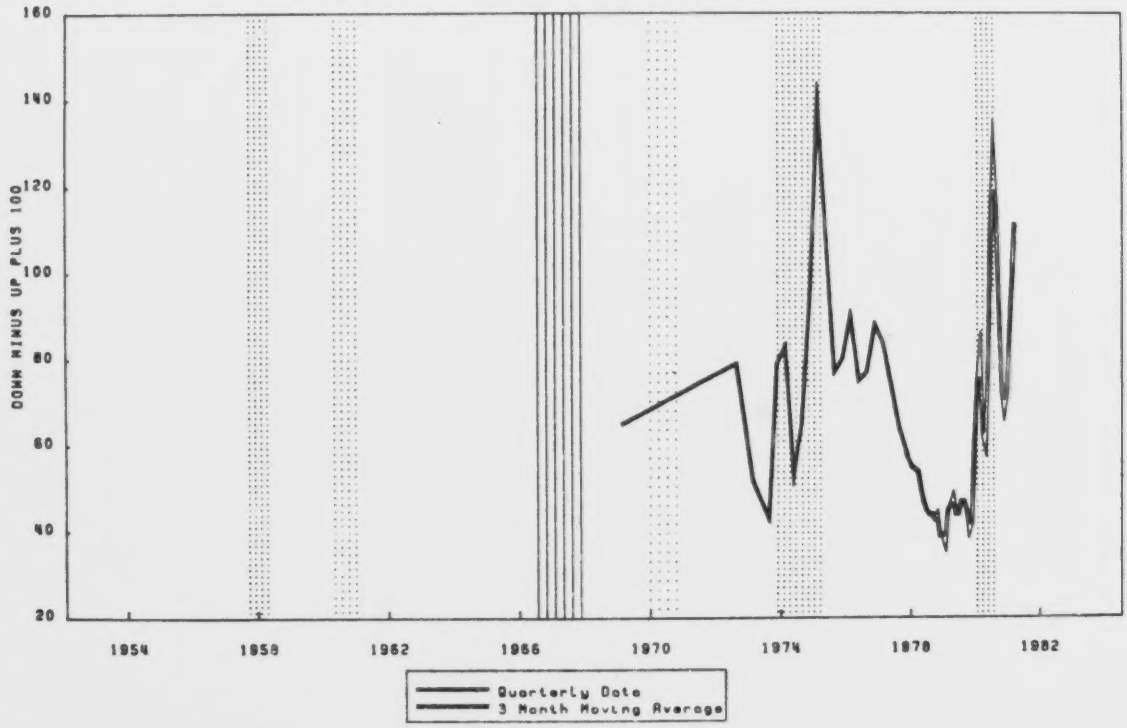

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GO UP	71%	56%	26%	21%	21%	39%	53%	49%	51%	53%	29%	31%	29%
STAY THE SAME	16	18	20	22	31	30	25	26	22	14	20	24	26
GO DOWN	10	24	52	54	44	26	18	17	22	29	44	37	41
DK,NA	3	2	2	3	4	5	4	8	5	4	7	8	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

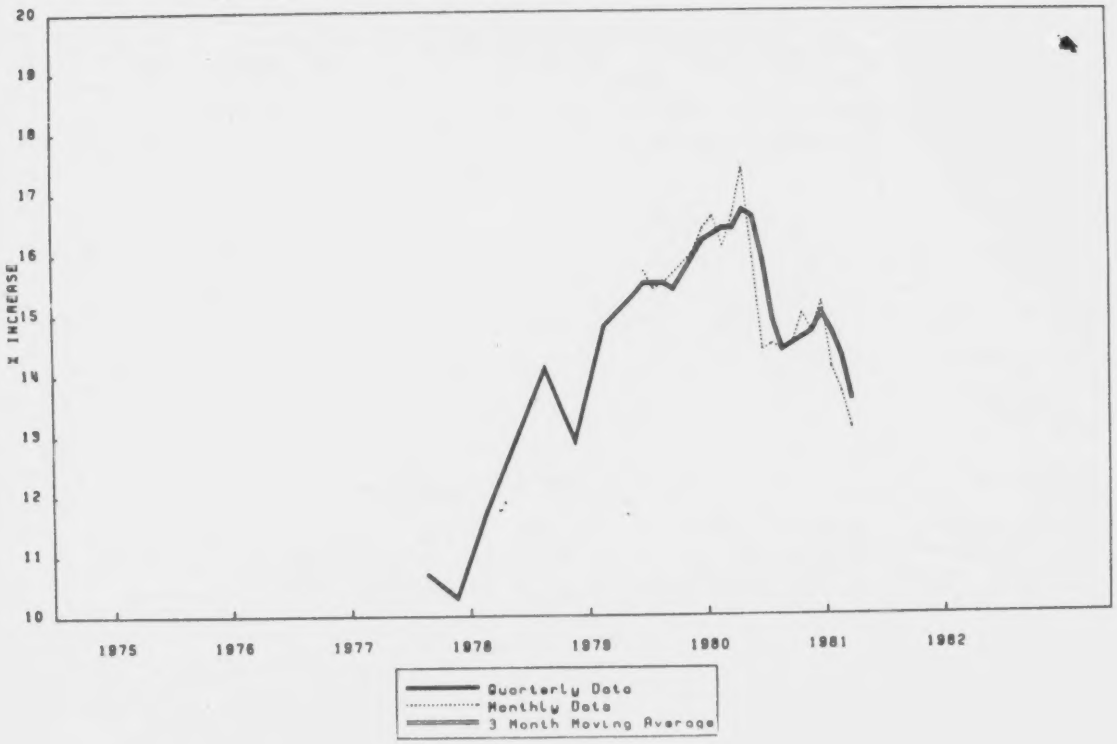

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
SAME OR DOWN	2%	2%	5%	6%	4%	4%	4%	2%	3%	2%	3%	2%	4%
GONE UP BY:													
1-2%	2	2	1	1	3	2	2	3	2	2	2	3	2
3-4%	5	3	4	3	5	6	5	4	4	3	4	4	4
5%	6	5	5	6	7	8	7	11	7	9	7	8	7
6-9%	8	9	6	10	11	12	9	11	12	9	8	8	10
10-14%	25	24	27	25	22	20	24	23	27	26	31	32	29
15% or more	41	43	37	33	29	32	31	32	29	32	28	25	25
DK how much up	11	12	15	15	18	15	17	14	16	16	17	17	18
DK,NA	*	*	*	1	1	1	1	*	*	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	16.6	17.4	15.9	14.4	14.5	14.4	14.5	15.0	14.7	15.2	14.1	13.7	13.1
VARIANCE	167	179	175	140	168	160	151	169	161	158	130	128	111
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

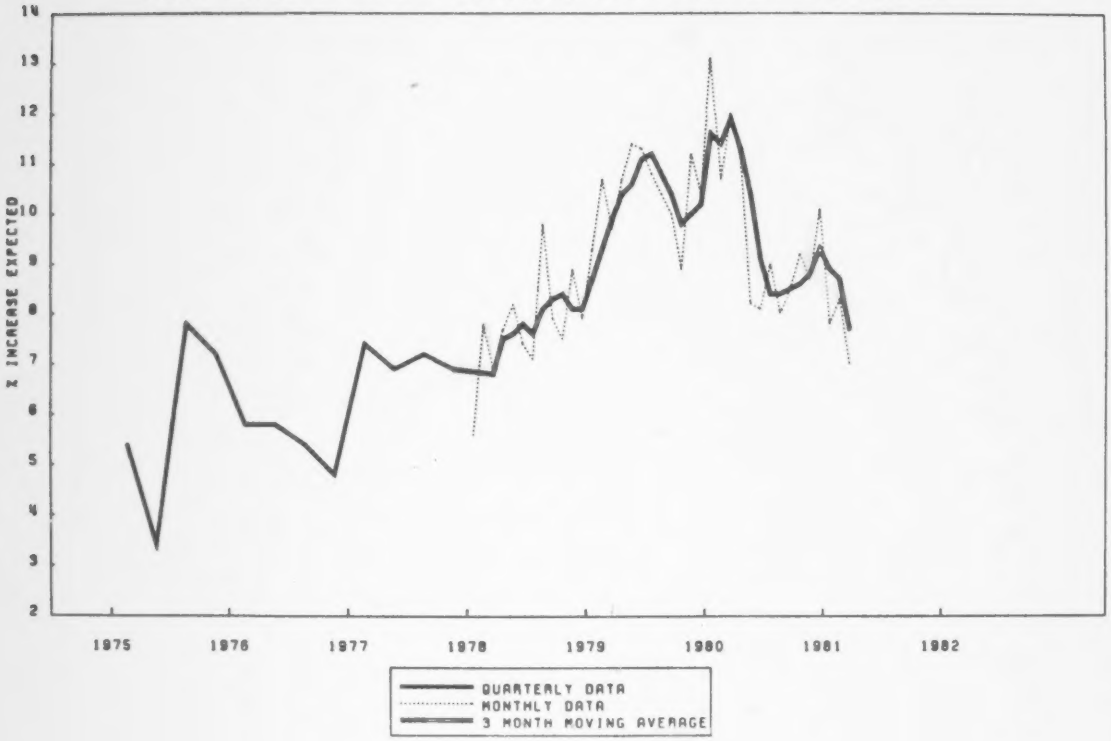

CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

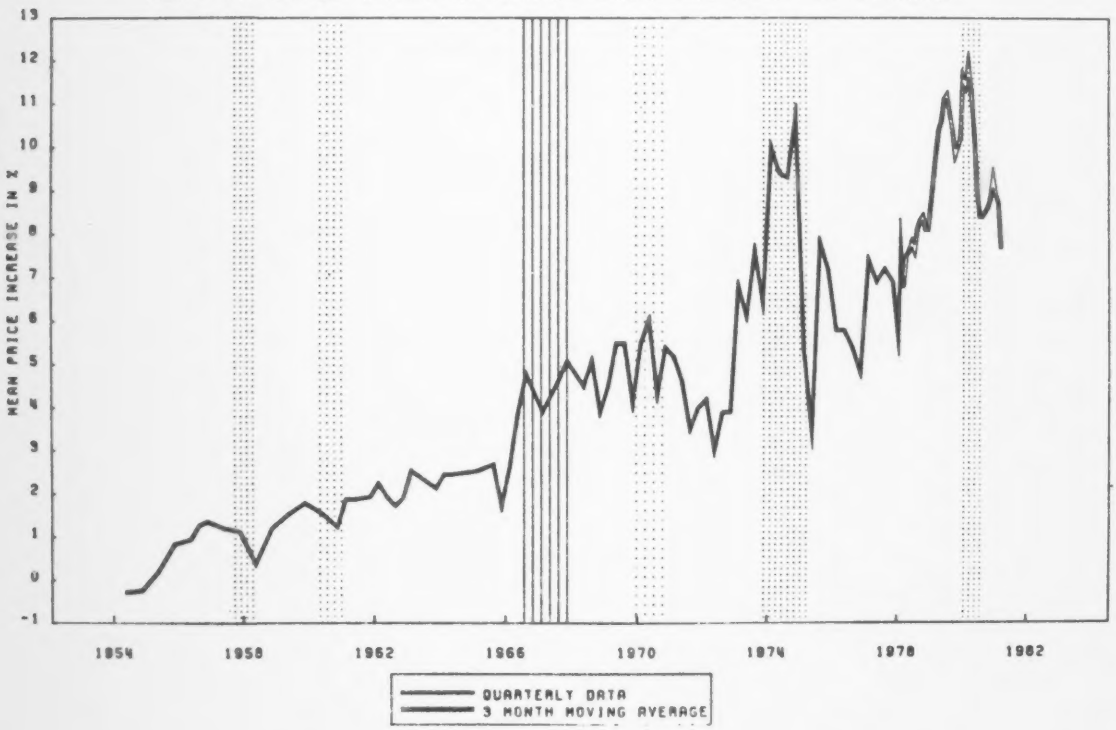

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
SAME OR DOWN	13%	20%	31%	27%	22%	18%	17%	20%	25%	17%	21%	18%	26%
WILL GO UP BY:													
1-2%	3	2	1	3	3	6	5	3	3	3	3	5	2
3-4%	4	3	4	6	5	7	5	6	5	5	6	9	8
5%	8	7	9	7	8	11	11	10	8	9	7	9	11
6-9%	9	8	9	10	10	12	10	10	12	11	12	12	11
10-14%	26	24	17	20	21	24	23	24	20	25	28	23	20
15% or more	27	25	18	14	15	10	13	16	14	18	9	12	9
DK how much up	7	9	10	10	13	11	13	9	11	10	11	10	11
DK,NA	3	2	1	3	3	1	3	2	2	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	12.0	11.1	8.2	8.1	9.0	8.0	8.5	9.2	8.7	10.1	7.8	8.3	7.0
VARIANCE	122	125	92	89	95	71	68	100	102	107	54	74	57
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

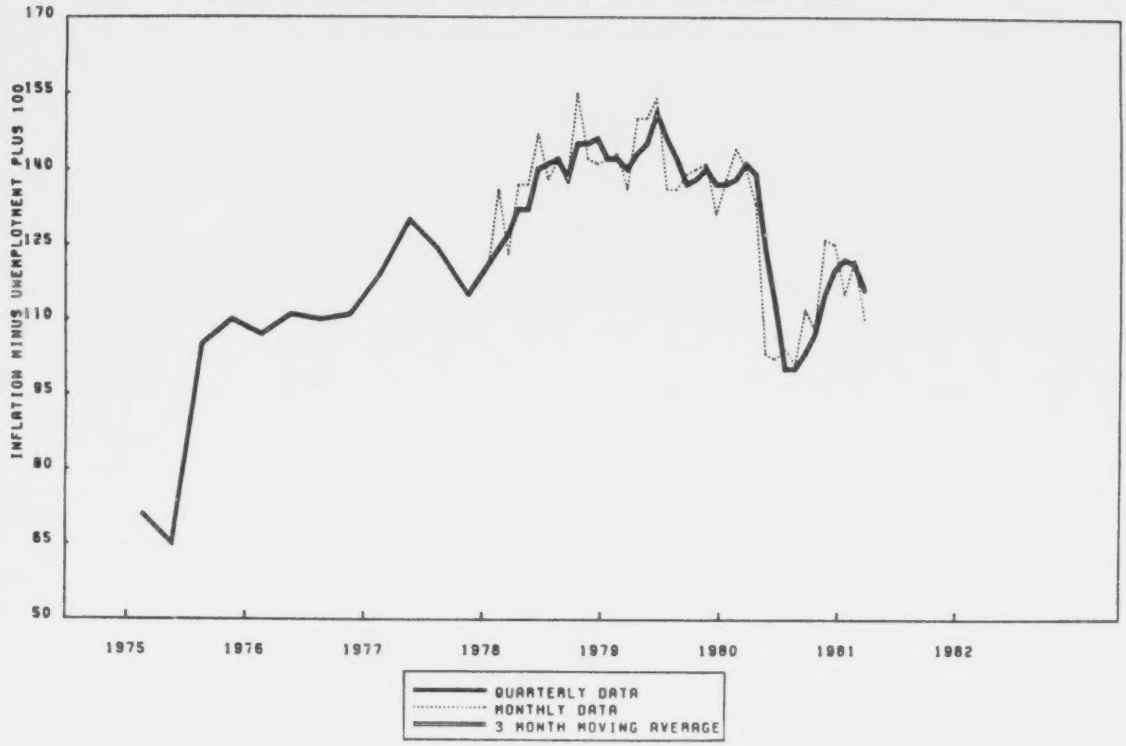

CHART 24 - HISTORICAL SERIES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

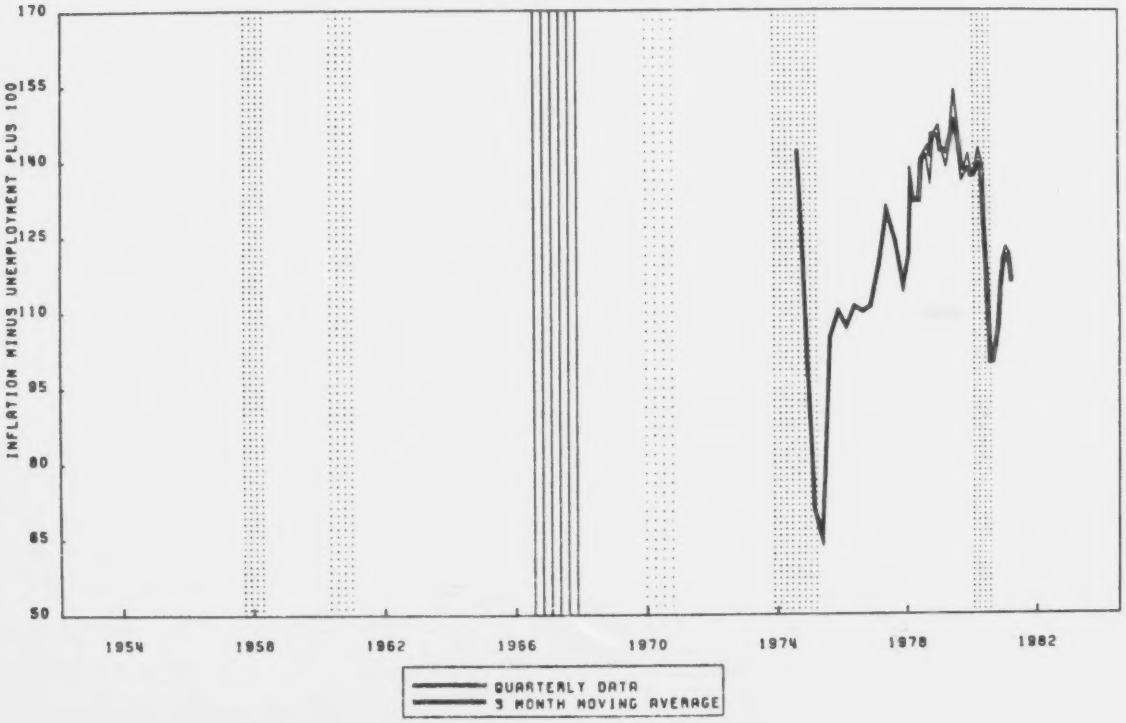

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
UNEMPLOYMENT	25%	26%	40%	43%	45%	43%	38%	40%	31%	32%	34%	34%	39%
BOTH EQUALLY SERIOUS	8	14	16	11	11	10	9	11	11	9	14	8	11
INFLATION	65	59	43	45	41	44	50	48	57	57	49	56	49
DK,NA	2	1	1	1	3	3	3	1	1	2	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

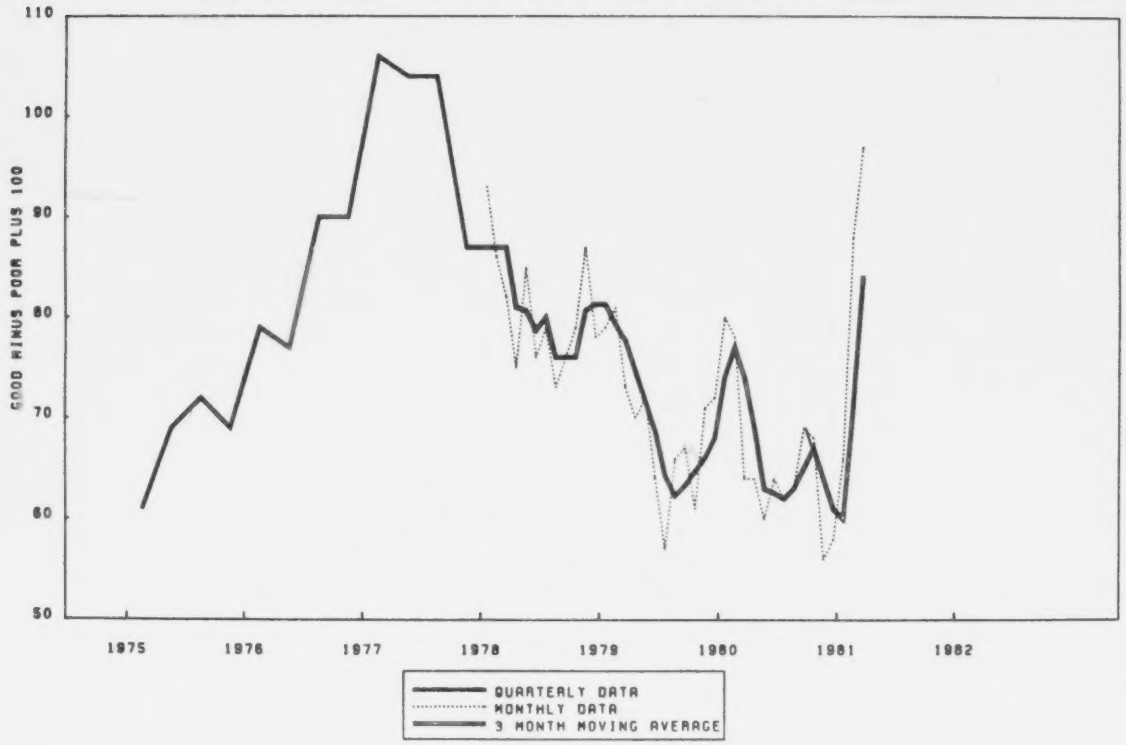

CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

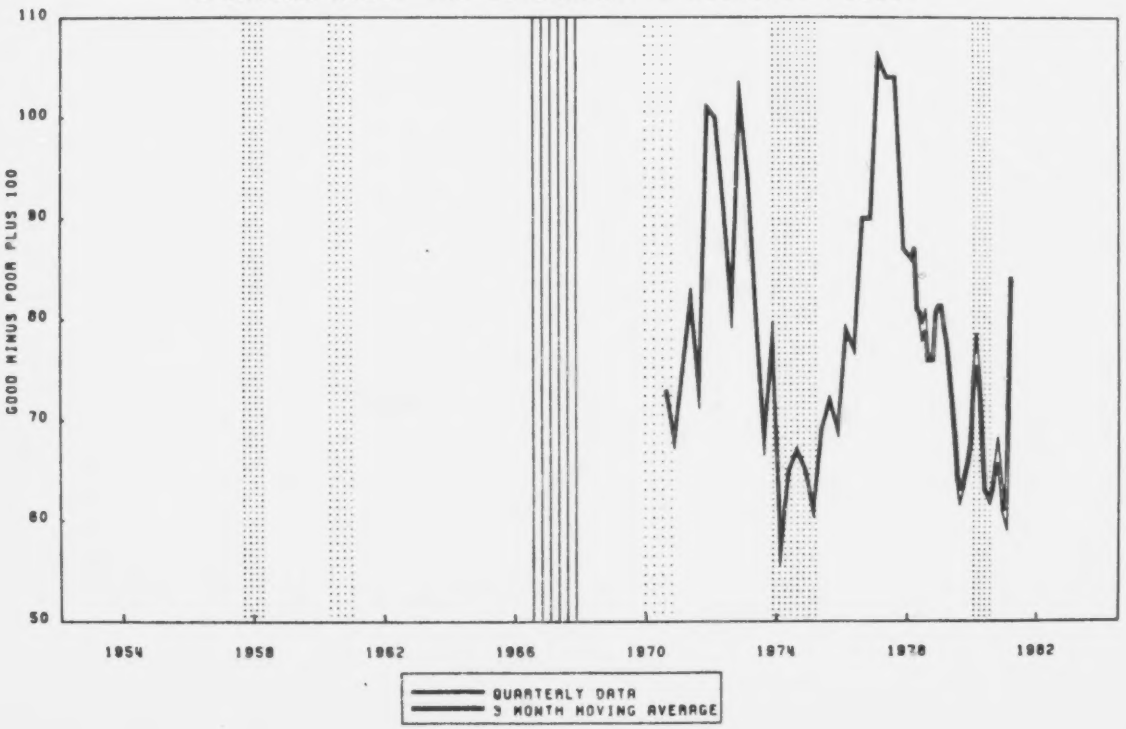

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
A GOOD JOB	7%	6%	5%	10%	9%	8%	10%	8%	6%	7%	10%	19%	22%
ONLY FAIR	46	48	48	40	41	45	46	50	41	42	42	40	45
A POOR JOB	43	42	45	46	47	45	41	40	50	49	44	31	25
DK,NA	4	4	2	4	3	2	3	2	3	2	4	10	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

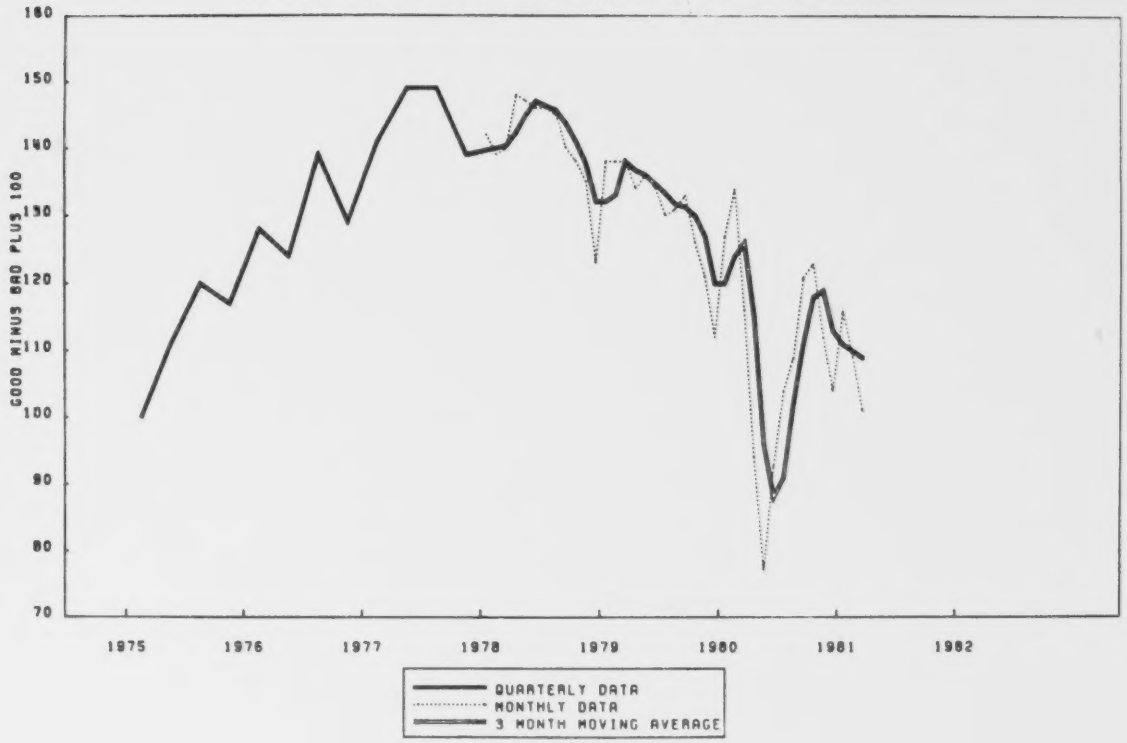

CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

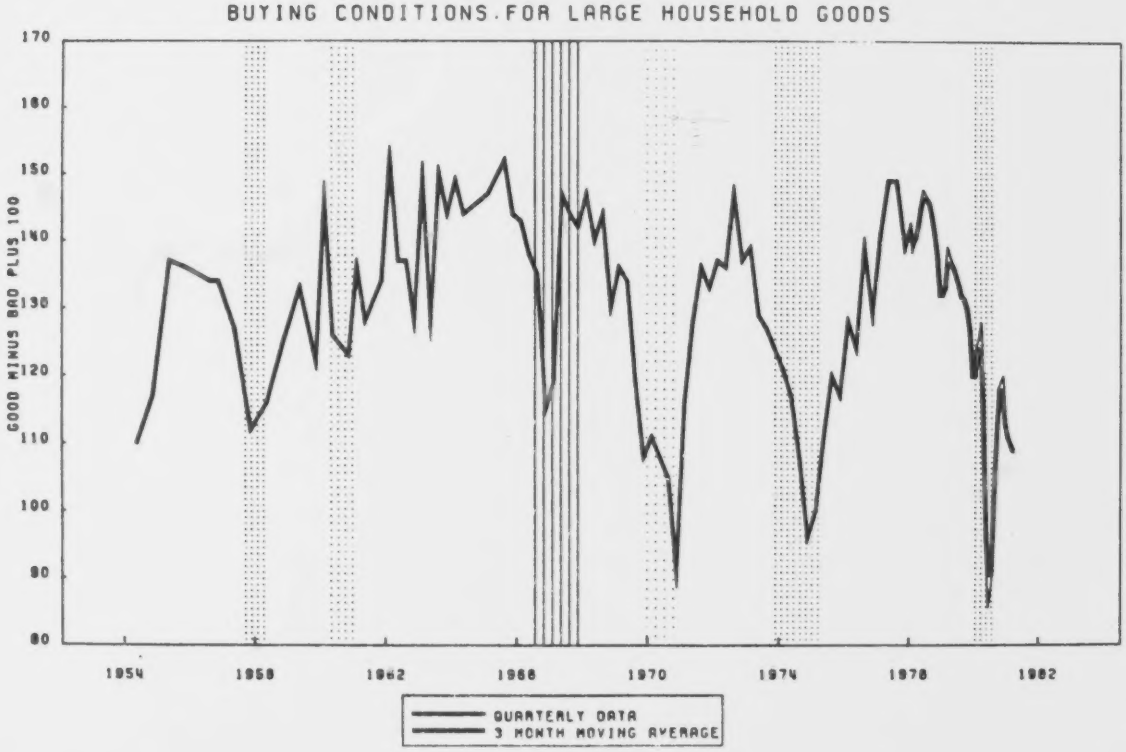

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY	54%	41%	35%	41%	44%	47%	52%	55%	50%	45%	50%	47%	43%
UNCERTAIN, DEPENDS	8	12	7	11	16	15	17	13	12	14	16	15	15
BAD TIME TO BUY	38	47	58	48	40	38	31	32	38	41	34	38	42
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	12%	9%	14%	16%	19%	17%	18%	20%	20%	17%	23%	23%	22%
Prices won't come down; are going higher	43	28	23	26	22	27	31	30	31	24	28	24	23
Interest rates low; credit is easy	5	3	2	3	5	5	3	4	2	3	2	3	1
BAD TIME TO BUY:													
Prices are high	23	30	34	29	23	23	20	16	23	26	17	24	23
Interest rates are high; credit is tight	19	28	31	24	19	16	13	17	17	22	25	26	22
Lack of purchasing power	12	14	16	15	20	14	12	11	11	11	11	13	16

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

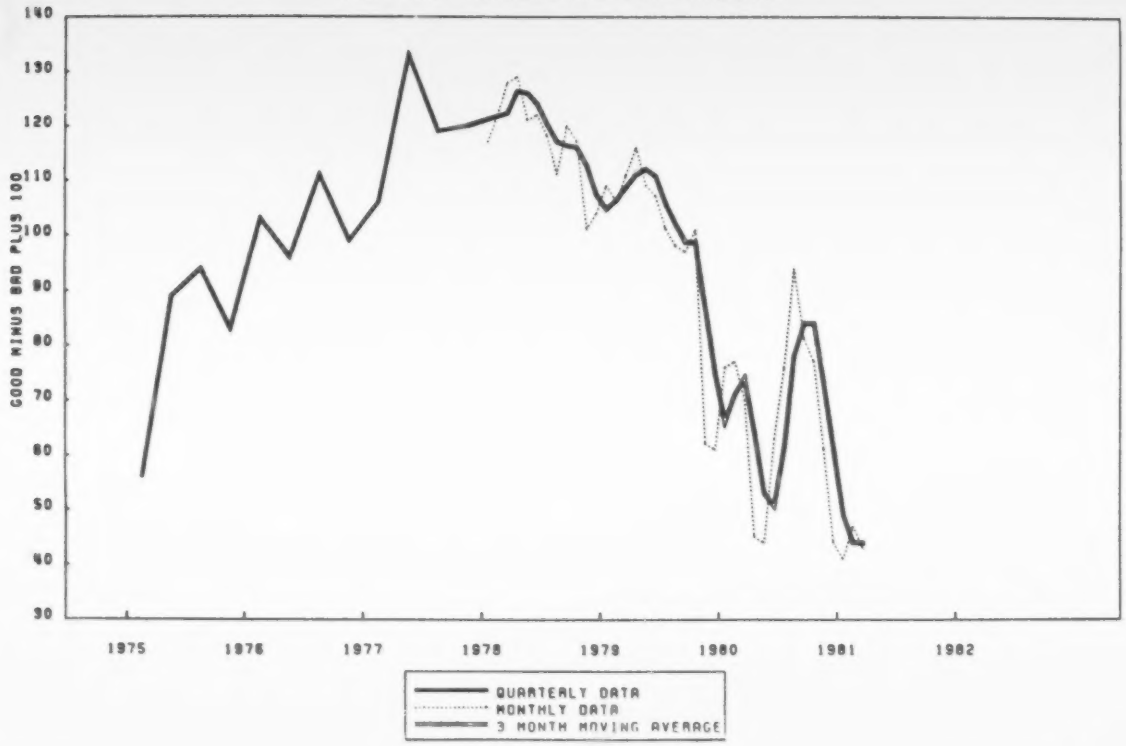

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

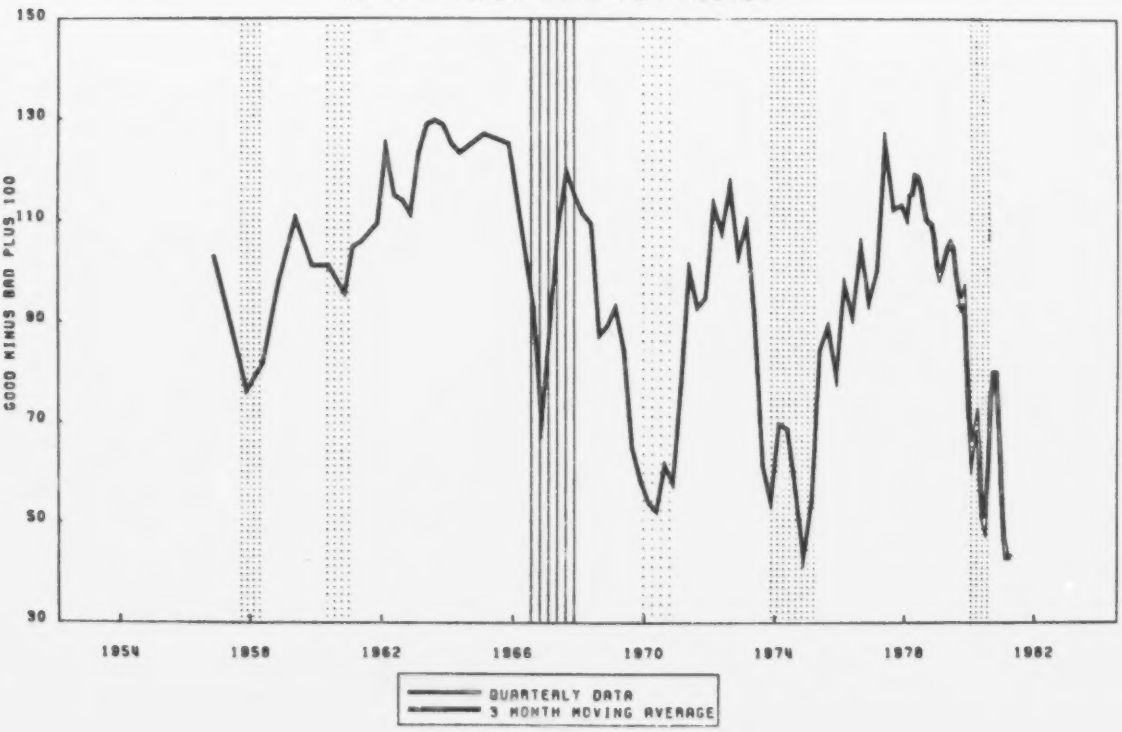

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY	32%	19%	18%	29%	34%	44%	38%	36%	28%	19%	18%	21%	20%
UNCERTAIN, DEPENDS	6	7	8	5	8	6	5	5	5	6	5	5	3
BAD TIME TO BUY	62	74	74	66	58	50	57	59	67	75	77	74	77
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	na	4%	3%	6%	9%	9%	7%	4%	4%	4%	3%	5%	4%
Prices won't come down; are going higher		8	8	11	12	14	17	17	16	10	12	10	9
Interest rates low; credit is easy		3	6	16	23	28	22	16	10	6	4	7	5
Good investment		9	7	5	6	10	9	8	7	6	7	10	7
BAD TIME TO BUY:													
Prices are high		31	30	27	30	26	29	27	28	28	32	31	32
Interest rates are high; credit is tight		76	75	66	53	41	50	56	66	77	76	73	76
Lack of purchasing power		8	9	10	15	12	11	12	11	12	10	14	13

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

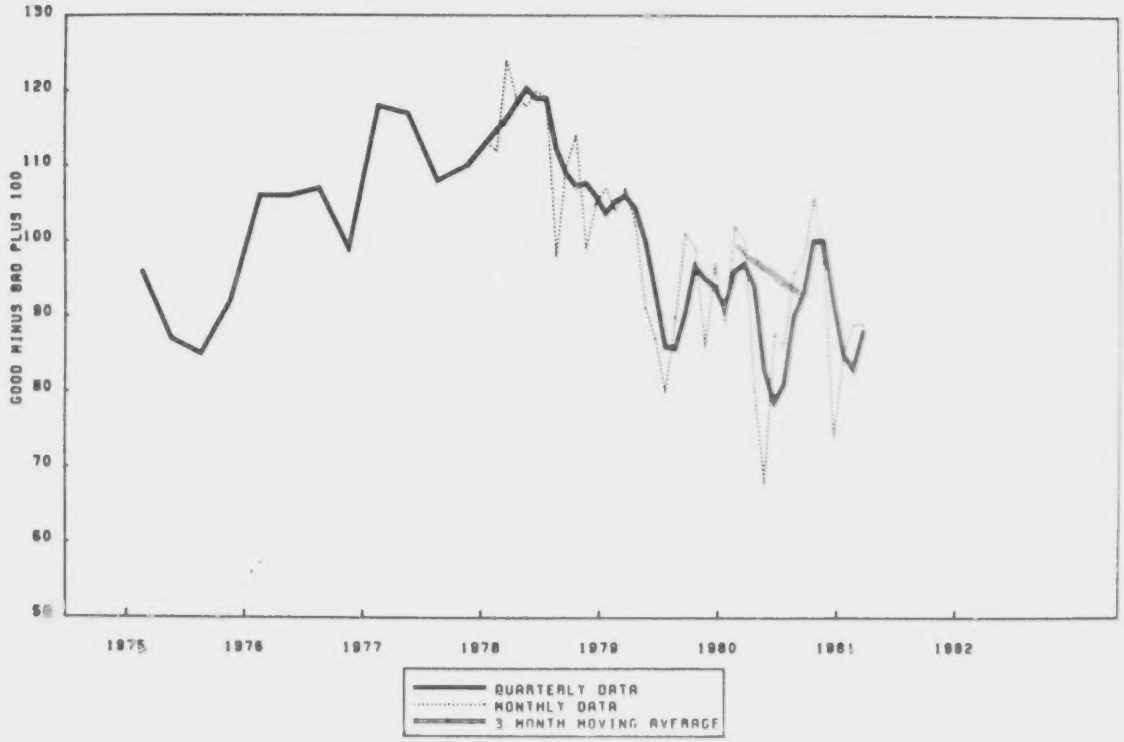

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

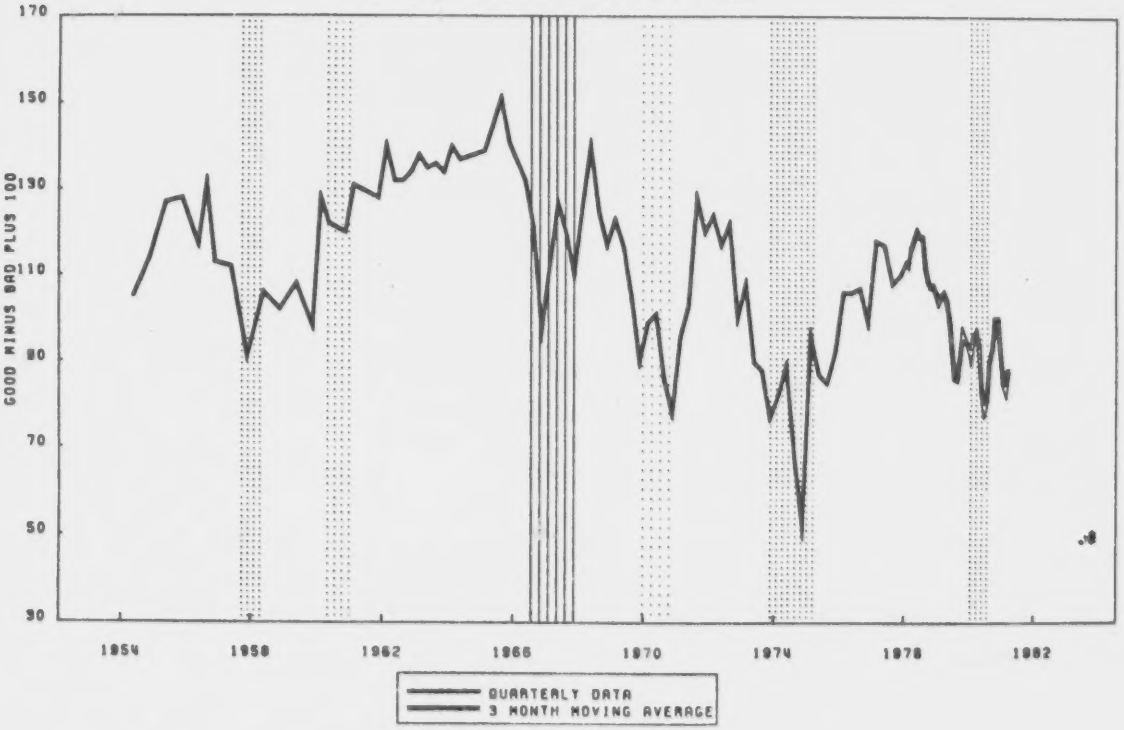

TABLE 30

BUYING CONDITIONS FOR CARS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY	45%	35%	29%	37%	36%	42%	42%	45%	41%	33%	36%	39%	39%
UNCERTAIN; DEPENDS	10	10	10	14	14	12	14	16	15	8	13	11	11
BAD TIME TO BUY	45	55	61	49	50	46	44	39	44	59	51	50	50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	707	719	703	688	668	658	682	685	694	684	698	668	703

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	15%	25%	27%	25%	24%	20%	17%	17%	13%	18%	22%	30%
Prices won't come down; are going higher	22	10	8	9	13	12	19	17	16	12	13	12	10
Interest rates low; credit is easy	3	4	1	3	4	4	4	3	3	4	5	3	2
New fuel efficient models	13	12	6	5	3	7	9	12	7	5	4	4	6
BAD TIME TO BUY:													
Prices are high	25	32	30	24	27	27	31	23	28	31	33	31	34
Interest rates are high; credit is tight	17	24	29	22	11	11	10	14	17	29	28	27	21
Lack of purchasing power	6	6	7	6	9	9	6	8	7	9	7	7	10
Price of gas; shortages	16	16	15	9	6	5	5	4	4	5	4	8	6
Poor selection; quality	9	8	7	10	13	13	11	13	10	12	9	9	9

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
PROBABLY WILL BUY	na	16%	13%	12%	17%	16%	16%	15%	17%	14%	15%	16%	14%
CHANCES ARE EVEN		7	7	8	5	7	6	7	6	6	8	7	6
PROBABLY WILL NOT BUY		69	67	68	67	61	70	67	66	67	66	62	67
DK,NA		8	13	12	11	16	8	11	11	13	11	15	13
TOTAL		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		719	703	688	668	658	682	685	694	684	698	668	703

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	na	23%	20%	20%	22%	23%	22%	22%	23%	20%	23%	23%	20%
PURCHASE TYPE:													
Buy new		11	7	9	10	8	11	12	11	8	11	10	9
Buy used		9	9	7	11	12	9	7	9	9	8	10	9
Lease		2	1	1	1	1	1	2	*	1	1	1	1
DK,NA		1	3	3	*	2	1	1	3	2	3	2	1
PURCHASE TIMING:													
Next 3 months		4	2	1	5	3	1	3	4	2	3	1	1
Next 4-6 months		6	6	6	5	5	6	4	3	3	5	6	4
Next 7-9 months		6	5	5	3	4	2	7	6	5	6	7	5
10 months or more		2	3	5	4	4	4	4	4	5	4	3	5
DK,NA		5	4	3	5	7	9	4	6	5	5	6	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	na	69%	67%	68%	67%	61%	70%	67%	66%	67%	66%	62%	67%
PURCHASE TYPE:													
Would buy new		40	39	38	40	35	38	44	38	37	35	33	34
Would buy used		26	25	27	24	24	30	20	26	27	29	28	28
DK,NA		3	3	3	3	2	2	3	2	3	2	1	5
PURCHASE TIMING:													
Less than 2 years		8	7	6	4	6	5	5	6	7	6	5	6
2 years		14	17	21	20	18	23	20	23	20	17	23	23
3 years		12	10	11	10	8	12	15	11	12	12	9	9
4 years or more		20	19	20	21	21	18	15	15	18	19	16	19
Indefinite		6	4	3	4	4	4	3	5	3	5	3	3
DK,NA		9	10	7	8	4	8	9	6	7	7	6	7

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

U7475-2 U A
4/8/81

March 30, 1981

March 1981 Monthly Survey

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CONSUMER SENTIMENT UNCHANGED

** In the March 1981 Survey of Consumer Attitudes, the Index of Consumer Sentiment was 66.5, nearly equal to the 66.9 recorded in February 1981, but 10 Index-points higher than in the March 1980 survey. Following the all-time record low of 51.7, the Index improved at a very rapid pace, increasing 25 Index-points from May to November 1980. However, in the December 1980 survey, the Index fell to 64.5 from 76.7 in November, and has remained at that lower level since then.

** Among families with incomes of $20,000 or more, the Index of Consumer Sentiment stood at 72.1 in March 1981, more than 10 Index points above the March 1980 reading. The Index for families with incomes of $20,000 or more has remained unchanged during the first quarter of 1981.

** In comparison with a year earlier, changes expected in economic conditions have become more optimistic (although not evaluations of current conditions), while attitudes toward buying conditions for large household durables were lower in March 1981 than a year earlier.

** Interest rate expectations have significantly moderated in early 1981. In the March 1981 survey, 41 percent of all families expected interest rates to decline in the year ahead, significantly above the 10 percent recorded in March 1980. The proportion who expected interest rate increases fell to 29 percent in March 1981, from 71 percent in March 1980.

** Expected rates of inflation have continued to moderate in early 1981. In the March 1981 survey, consumers expected inflation to average 7.0% during the year ahead, down from 8.3% in the February 1981 survey, and significantly below the 12.0% recorded in March 1980. Among all families, 29 percent expected price increases in the year ahead to average 10% or more in March 1981, down sharply from the 53 percent who expected double-digit inflation in March 1980.

* * *

The March 1981 survey indicates that consumer sentiment has remained unchanged during the first quarter of 1981. Evaluations of the current financial situation of individual consumers as well as for the economy as a whole are unfavorable and remain near the record 1980 low levels. In contrast, expectations for improvement in personal finances and business conditions were significantly more favorable in early 1981 than during 1980. Expected change in government economic policy is the primary reason for the improved business outlook. Importantly, price expectations have moderated, and helped to improve the financial outlook for consumers as well as the economy in general. Buying attitudes have remained unfavorable due to high interest rates. In addition, the financial strains on consumers have led them to become more reluctant to make major purchases. These results indicate that only slow gains in consumer sales can be expected during 1981.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Personal Finances

There was a small improvement in consumers' attitudes towards their own personal financial progress in the March 1981 survey. Despite the improvement, personal financial attitudes remain near record low levels in early 1981, as they have for most of the past two years. In March 1981, 29 percent reported that they were better off financially now than a year earlier, up from 27 percent in February 1981, and 24 percent in March 1980. Unfavorable evaluations of financial progress fell to 43 percent in March 1981, from 47 percent in February 1981 and 48 percent in March 1980. When explaining how their financial situation had changed, 40 percent of all families mentioned in the March 1981 survey that inflation had made them worse off, down from 47 percent in February 1981, and 47 percent in March 1980. Mentions of income increases were made by 26 percent of all respondents in March 1981, unchanged from the month earlier and year earlier readings. Throughout the past two years, consumers have more frequently mentioned inflation rather than income increases as the primary reason for their changed financial situation; in contrast, during the years 1976-1978, when personal financial optimism was rising, income increases were spontaneously mentioned more frequently than inflation.

Changes expected in personal financial situations during the year ahead were somewhat less favorable in early 1981 than in late 1980, although significantly higher than year earlier readings. Since reaching the record cyclical lowpoint in early 1979, personal financial expectations grew more optimistic until early 1980, when the improvement was dramatically reversed following the credit policy announced at that time. Personal financial expectations again rose until late 1980, when they again reversed due to rising interest rates.

The March 1981 survey revealed little change in nominal income expectations. Sixty-four percent of all respondents expected nominal income increases in March 1981 as well as in April 1980. Income increases of 10% or more were expected by 28 percent of all families in March 1981, just below the 30 percent recorded in April 1980. The maintenance of nominal income expectations, coupled with lower expected rates of inflation, have led to improved real income expectations. In March 1981, 14 percent of all families expected real income increases during the year ahead, up from 8 percent in March 1980, while 44 percent expected real income declines, down sharply from the 56 percent recorded in March 1980.

Business Conditions

Recent news in business conditions heard and recalled by consumers was more favorable in March 1981 than one year earlier. Although the news mix remained unfavorable in March 1981 by a margin of 57 percent unfavorable to 30 percent favorable, this ratio represents a sizable improvement from the overwhelmingly negative margin of 82 percent to 11 percent recorded one year earlier. The decline in reports of unfavorable news items involved fewer mentions of inflation (6 percent in March 1981, down from 17 percent in March 1980), and fewer mentions of high interest rates and tight credit (4 percent in March 1981, down from 22 percent in March 1980).

The decrease in unfavorable news mentions was not accompanied by an increase in reports of improving business conditions. More than two-thirds of all respondents in both March 1981 (67 percent) and March 1980 (69 percent) thought that business conditions had worsened during the prior year. Among all respondents, 17 percent reported that current business conditions were better than those of a year earlier, in March 1981 unchanged from the 15 percent recorded in March 1980.

After recording large improvements in late 1980, changes expected in business conditions have remained at the same level during the first three months of 1981. Among all families, 38 percent expected business conditions to be better during the year ahead while 21 percent expected business conditions to worsen. The favorable margin of 38 to 21 percent recorded in March 1981 was the reverse of the unfavorable margin of 14 to 42 percent recorded in March 1980. When asked why they thought business conditions would improve in the year ahead, the Reagan administration and changes in economic policies were mentioned by one-in-three respondents in the March 1981 survey, as in each monthly survey since Reagan's election.

When asked whether they expected a reduction in personal income taxes, 58 percent of all respondents in the March 1981 survey expected Congress to pass such a law, unchanged from the 58 percent recorded in February 1981 survey. Although the February and March 1981 surveys indicate that the majority expect a tax reduction, the growth in opinion has slowed with more than one-in-three remaining unconvinced that Congress will pass such a law.

Table A

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980	November 1980	January 1981	February 1981	March 1981
Yes	25%	46%	41%	58%	58%
No	64	42	43	29	32
Uncertain; don't know	10	11	15	11	8
Not ascertained	1	1	1	2	2
Total	100%	100%	100%	100%	100%

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

In the March 1981 survey, 59 percent expected bad times financially in the economy as a whole during the next 12 months, down from 62 percent in February 1981, and 76 percent in March 1980. Good times financially in the economy as a whole were expected by 27 percent in March 1981, up from 26 percent in February, and 14 percent in March 1980. Although short-term business expectations remain unfavorable, with twice as many families expecting bad rather than good times, the March 1981 reading nonetheless represents a significant improvement over a year earlier when five times as many families expected bad rather than good times financially in the economy as a whole.

Increases in unemployment were more frequently expected in March 1981 than in March 1980. Among all families, 41 percent expected unemployment to increase during the year ahead in March 1981, up from 24 percent in November 1980. Unemployment declines were expected by 13 percent in March 1981, down from 26 percent in November 1980. In comparison with a year earlier, however, increases in unemployment were less frequently expected in March 1981 (41 percent) than in March 1980 (57 percent).

Buying Conditions

Unfavorable attitudes toward buying conditions for houses, automobiles, and large household durables remained at high levels in the March 1981 survey. Attitudes toward buying conditions for houses returned to the all-time record unfavorable level first established in early 1980, while attitudes toward buying conditions for cars and household durables were somewhat less favorable than the year-earlier readings. High prices and high interest rates were the most frequently mentioned reasons for unfavorable opinions in the March 1981 survey.

During the first three months of 1981, unfavorable attitudes toward buying conditions for houses were held by three-in-four consumers. In both January and March 1981, 77 percent of all families--an all-time record level--thought it was a bad time to purchase a home, somewhat above the prior record of 74 percent recorded in April and May 1980. High interest rates continue to exert the dominant force in shaping unfavorable attitudes toward the housing market. In March 1981, 76 percent of all respondents mentioned high interest rates, unchanged from 76 percent in April 1980.

While attitudes toward buying conditions for automobiles remained unchanged in March from the February 1981 survey, attitudes were, on balance, 11 percentage points below year-ago levels. Favorable attitudes declined to 39 percent in the March 1981 survey from 45 percent in March 1980, while unfavorable buying attitudes increased to 50 percent from 45 percent a year earlier. Mentions of rebates and price discounts rose to 30 percent in March, from 22 percent in February 1981, and 19 percent in March 1980. Despite the increased awareness of rebates, complaints of high prices were also more frequently mentioned in March 1981, leaving overall market attitudes unchanged. Fewer respondents mentioned buy-in-advance price rationales in March 1981 (10 percent) than in March 1980 (22 percent), reflecting lower expected inflation rates.

Favorable attitudes toward buying conditions for large household durables posted a slight decline, falling to 43 percent in March 1981 from 47 percent in February 1981, and 54 percent in March 1980. While still remaining a dominant factor, mentions of high interest rates declined to 22 percent from 26 percent in February 1981.

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The March 1981 Survey included 703 interviews conducted between February 23 and March 21, 1981.